



Daily Report—

China

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General

UNPROFOR Spokesman on Bosnia Issue Interviewed

OW0503074995 Beijing XINHUA in English 0643
GMT 5 Mar 95

[By Duan Jiyong]

[FBIS Transcribed Text] Sarajevo, March 4 (XINHUA)—The most perplexing problem for the UN peacekeepers in Bosnia-Herzegovina seems not the danger facing them all the time but the difficulty in getting people to understand their mandate correctly.

The world and people in Bosnia have high hopes for what the peacekeepers can achieve, and many of them are not practical, Gary Coward, military spokesman for the UN Protection Force (UNPROFOR) in Bosnia and Herzegovina, told XINHUA in Sarajevo.

Coward said the UN troops are here to help deliver humanitarian aid and create conditions for peace, but there is a misconception of their mandate.

"Some people suggest that the peacekeepers should defend the UN 'safe areas'. But we don't have the mandate. We have the mandate to deter attacks against the 'safe areas', " he said.

He stressed that the reality is that "we have to be neutral."

The spokesman said there is a siren cry from many quarters for the UNPROFOR to get embroiled in the war as peace-enforcers or peace-makers rather than peacekeepers, but that is just impossible.

On the performance of the UN peacekeepers in Bosnia, Coward said it could be described as successful if success is measured against the objectives.

He said over two million people in the former Yugoslav republic now rely on the humanitarian aid which is delivered with the help of the UNPROFOR.

If the UN peacekeepers were not in the war-torn country, the spokesman added, he doesn't know what would happen to these starved people.

He said that "reasonable progress" has been made in implementing the four-month cessation of hostilities agreement signed on December 31.

"We as peacekeepers are reasonably pleased with the low level of warring activity," despite increasing sniping incidents in the past few days, said the spokesman.

At least one civilian was killed and several others and one UN soldier were wounded by gunfire in Sarajevo last week.

The cease-fire has been holding in most of Bosnia except the Bihać pocket in the northwest, where Krajina Serbs

from Croatia and their rebel Muslim allies are not signatories to the truce, according to Coward.

The spokesman said a number of measures have been taken by the UNPROFOR to cement the cease-fire and the peace process to give politicians time to mediate a comprehensive peaceful settlement.

A major element of the measures, he said, is to improve confidence and trust between the warring factions through meetings of the Central Joint Commission and regional joint commissions.

These commissions, comprising representatives from Bosnian Serbs and Muslims and the UN, were set up to monitor the implementation of the truce.

The UNPROFOR has also succeeded in getting the so-called "blue route" rear the Sarajevo airport to reopen for humanitarian aid and civilians, and in evacuating some wounded or sick civilians from Gorazde, another UN-designated "safe area" in eastern Bosnia, he said.

Besides, he said, the warring parties have started to exchange detainees.

As to the prospects of the cease-fire and the situation after its expiration on April 30, the spokesman said there is hope for the cease-fire to be maintained. But he also said that without progress in political negotiations the prospects are not bright.

'News Analysis' Views Reason for Copenhagen Summit

OW0303141595 Beijing XINHUA in English 1346
GMT 3 Mar 95

[“News Analysis” by Li Hongqi: “Why a Summit in Copenhagen”]

[FBIS Transcribed Text] Copenhagen, March 3 (XINHUA)—World leaders are gathering here this weekend in the Danish capital to attend a UN-sponsored summit for social development with greater attention to the long-ignored social problems.

The summit, scheduled for March 6-12, is the first of its kind in the world history and part of the activities planned to mark the 50th anniversary of the founding of the United Nations later this year.

Although social problems have wide implications, the World Summit for Social Development will focus on three main issues: poverty, unemployment and social disintegration.

The three interrelated issues, as UN Secretary-General Boutros Boutros-Ghali has pointed out, constitute the main obstacles to economic development and social progress.

Eventually the problems are not new, but for a long time they were overshadowed by military confrontations

during the Cold War. The summit itself signifies that the world for the first time gives priority to social issues.

The end of the Cold War has enabled the world leaders to concentrate their energy on the social illnesses. The fact that the problems are getting ever more acute despite the fundamental changes in the world situation has prompted the whole world to act quickly.

The worsening social problems worry all nations, the developed and developing alike. Poverty affects individuals and families across the world, with absolute impoverished people numbering 1.1 billion, according to statistics released by the United Nations.

Poverty is fuelled by the growing unemployment, which makes 120 million people jobless the world over. Economic hardship, regional and ethnic conflicts have displaced some 35 million people over the past three decades, while uncurbed violence and crimes have endangered social stability, security and prosperity. Women, children, the aged and disabled are most vulnerable.

Undoubtedly, the most suffering are those who live in the developing countries, especially the least developed ones, but poverty and unemployment plague the developed world as well.

The common problems and challenges are pushing the world leaders to sit down together to seek a coordinated approach, although the countries vary in their specific conditions.

The United Nations decided to convene the week-long summit at its 1992 General Assembly in response to a call by dozens of developing countries. Up to date three preparatory meetings have been held to draft a declaration and a program for action.

During the preparatory meetings, all parties concerned agreed to tackle the problems in a coordinated way, promising to mobilize all circles and resources of the society to alleviate and eliminate poverty, spur productive employment and promote social integration.

However, differences still exist on how to reach the target. The developing countries maintain that economic advancement should be given priority, while the industrialized nations stress the need for promoting democracy and freedom.

The developing countries expect the developed countries to provide more financial and technological aid and write off or reduce their debts of up to 1.4 trillion U.S. dollars, but they failed to gain any concrete commitment.

The issue has been referred to the summit for further debate. So far it is hard to predict what would turn out finally.

The to-be approved documents would commit the world leaders to a time-bound program to deal with the three

thorny social problems, but what is more important is to take concrete actions to honor the commitments.

U.S. TV Networks To Face IPR Violation Suit

*OW0403001295 Beijing XINHUA in English 1822
GMT 3 Mar 95*

[FBIS Transcribed Text] Hong Kong, March 3 (XINHUA)—Three U.S. cable television networks will be prosecuted for broadcasting the videotape of the '94 Macao International Professional Boxing Championships without permission from the copyright owner of the tape, according to the "Ta Kung Pao" newspaper of Hong Kong.

The Macao Concord Recreation Co. Ltd, one of the organizers of the match, will file a lawsuit against the networks and demand economic compensation, the newspaper said.

The Boxing Championships were organized in Macao by Macao Concord Recreation Co. Ltd., and three sports organizations from Macao, the United States and Britain on September 17, 1994.

A Macao radio and television firm and a British advertising company produced a two-hour videotape of the match for the Macao Concord Recreation Co. Ltd.

In October and November last year, the three U.S. Cable television networks, which are watched by over 13 million US families, broadcast the tape without permission from the Macao Concord Recreation Co. Ltd., the newspaper said.

The chairman of the Board of the Macao Concord Recreation Co. Ltd pointed out that the three networks have violated the copyright of his company, and it will prosecute them according to the laws of Macao and the United States, and ask for 10 million US dollars in compensation.

United States & Canada

Official Views State Department Human Rights Report

HK0303144495 Beijing ZHONGGUO XINWEN SHE in English 1356 GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (CNS)—Zhu Muzhi, Director of China Human Rights Research Society, made a comment on the report of human rights of the Department of States of the United States in the seminar of China Human Rights Research Society today.

Zhu Muzhi said that China has made great achievements in protecting human rights, but there are still things that need to be improved. The people in China and the government are trying hard to improve the situation of human rights.

However, the human rights report of the United States confounds right and wrong. Zhu Muzhi said that it not only denies the achievements made by China, but also exaggerates the problems of human rights in China.

Why is this so? Zhu Muzhi holds that there is only one reason, that is, the aim of the United States is not to protect human rights, but to force China to be "westernized" and "decentralized". To change the socialist system of China is to restrict the development of China.

Zhu Muzhi said that in respect of human rights, different countries have different views. To force the other countries to accept only one view will only increase contradictions.

He hopes that the United States will be far-sighted, and divert the attention to the situation in the world and the 21st century. To deal with Sino-American relations with this attitude and with equality is the best way to deal with the relations between the two countries.

Tibet Officials Denounce U.S. Human Rights Report

OW0603021395 Beijing XINHUA Domestic Service in Chinese 1541 GMT 4 Mar 95

[Report by XINHUA reporter Zheng Qingdong (6774 1987 2639): "Deputies From Tibet Comment on Human Rights"]

"FBIS Translated Text" Beijing, 4 Mar (XINHUA)—Deputies from Tibet attending the Third Session of the Eighth National People's Congress "NPC" sternly refuted "yan li pi bo 0917 0632 2106 7463" the U.S. State Department's 1994 "Human Rights Report." Citing Tibet's economic development and social progress in the last three decades since the founding of the Tibet Autonomous Region, they said that the U.S. State Department report had "distorted facts and confounded truth and falsehood" [wai qu shi shi dian dao shi fei 2977 2575 0057 1395 7351 0227 2508 7236] and it constituted a brutal interference in China's internal affairs.

Deputy Losang, who is also chairman of a residential committee in Lhasa's Chengguan District, said: The economic development in Tibet was fairly rapid in the region's history. The region's gross national output reached 4.17 billion yuan, which was 10 fold and over 140 percent higher, respectively, than that before Tibet's peaceful liberation and before Tibet embarked on reform and opening up to the outside world. The per capita income of peasants and herdsmen reached 555 yuan, the total grain output reached 640,000 tonnes, and the gross industrial output reached 535 million yuan. While people of all nationalities in the region live and work in contentment, the United States asserted that "human rights were violated on a massive scale" in Tibet last year. This is nothing but totally groundless fabrication.

"We, people from the old Tibet, know best what is meant by Tibet's human rights." This offspring of a serf said emotionally: "In the old Tibet, we serfs had nothing but endless hard labor and suffering and serf owners' brutal torture. How could there be any human rights when we did not even have the most basic personal freedom and the right to survive? Only the serf owners and high-ranking officials had human rights in those days. We do not understand why no one commented on Tibet's human rights issue at that time."

The deputies noted: Tibet's actual situation is just the opposite of the irresponsible comments in the U.S. State Department report. The Chinese Government made great efforts last year to speed up Tibet's construction and development and to improve the living standards of the 2 million or so people of all nationalities in Tibet as quickly as possible. Deputy Chen Kuiyuan, secretary of the Tibet Autonomous Region Party Committee, said: During the third meeting on Tibet affairs called by the central authorities last year, the state decided to invest 2.38 billion yuan in assisting 62 construction projects in Tibet. Shortly afterward, 616 persons in 47 groups from 35 provinces, autonomous regions, municipalities under the central government's direct jurisdictions, municipalities authorized to draw up independent plans, and a dozen or so ministries and departments under the State Council came to Tibet to study the construction projects. By the end of last year, early-stage preparations had been completed for 55 of the 62 projects, and 32 projects had started. Speed like this can be described as unprecedented. According to statistics, during the 1952-1992 period, the central government invested more than 18.7 billion yuan in Tibet. "The claim that human rights in Tibet were violated is a blatant lie and an act that confuses right and wrong and stands the facts on their heads."

"The most essential human rights are those to subsistence and development. The Tibetan people, who used to be serfs subjected to oppression, are now masters of their society, enjoying a new life in a socialist society with plenty to eat and plenty to wear. This is the most essential human right." Raidi, deputy secretary of the Tibet regional party committee and chairman of the regional people's congress standing committee, said: Over the years since Tibet embarked on reform and opening up, Tibet's economy has been developing very rapidly and the people's living standards have become increasingly better. The large numbers of key, infrastructure construction projects, in particular, have built a strong foundation for Tibet's rapid economic development. Raidi believed that the central government's enormous investments in Tibet will bring about an economic take-off in Tibet and the livelihood of people of all nationalities in Tibet will be increasingly better each day.

The NPC deputies from the roof of the world maintained that the totally groundless statements in the U.S. State Department's "Human Rights Report" can serve as evidence of U.S. interference in China's internal affairs

by exploiting and distorting the human right issue. They said this constituted a violation of China's national sovereignty, or the Chinese people's collective human rights. They pointed out that Tibet is China's territory, and people of Tibetan nationality will absolutely not tolerate the conduct of anybody who attempts to use "human rights" as a weapon to internationalize the Tibet issue in a wild attempt to split China.

Pentagon Report Arouses Serious Attention'

*HK0403075395 Hong Kong WEN WEI PO in Chinese
4 Mar 95 p A2*

[Editorial: "Analysis of Report on U.S. Asian Strategy"]

[FBIS Translated Text] On 27 February, the U.S. Department of Defense published a document entitled "Strategy Report on Security Guarantees in East Asia and Pacific Ocean." It stresses the need to continue to station 100,000 U.S. troops in Japan and the ROK for a certain period to come and the need to continue to maintain the security guarantee system between the United States and Japan and the military alliance between the United States and the ROK, and it holds that it is still necessary to retain multinational security guarantee agreements in the Asia region in the 21st century.

In general, the strategy report indicates that the United States will continue to station numerous troops in Asia, will take China as a target of confrontation, and will strengthen its military deployment in Northeast Asia by taking the DPRK as the imagined enemy. This finds expression in the fact that the report again emphasizes the importance of the U.S.-Japanese security guarantee alliance and says that the U.S.-Japanese security guarantee alliance is the most important link in U.S.-Japanese relations. "No other relationship transcends it," and "such a relationship will be weighty enough to determine stability in the Asia-Pacific region." Therefore, the United States is demanding that Japan should participate more and should make a greater contribution on global issues and on major issues concerning Asia's stability.

Obviously, the Clinton administration has changed its policy to reduce the U.S. military presence in the Asia-Pacific region after the end of the Cold War; on the grounds of showing concern for the Asia-Pacific, the region which is recording the most vigorous economic growth in the world, it holds that "the security of Asia is of great importance to the future of the United States." The report says: U.S.-Japanese relations are composed of three major pillars. That is, first, the two countries' security alliance; second, political cooperation; and third, economic and trade relations. It says that trade disputes between the two countries must not impair their security alliance.

On the other hand, the strategy report stresses that the U.S.-ROK defense system is based on the following three

points: First, the mutual defense treaty concluded between the United States and the ROK in 1953; second, U.S.-ROK joint forces; and third, exercises planned according to the bilateral security treaty every year. The three points fully show that the allied military relationship between the United States and the ROK has not changed at all. Although the report stresses that the United States supports North-South dialogue on the Korean peninsula, it in fact takes North Korea as the imaginary enemy on every point. The report says: "North Korea remains an uncertain factor and a potential danger to Asia. If North Korea develops nuclear weapons, this will pose a very dangerous threat not only to the Korean peninsula but also the world. North Korea's conventional weapons already constitute threats against the ROK. U.S. forces will continue to maintain vigilance against this." The report then says that it is necessary for U.S. forces to continue forward deployment and to station 100,000 troops in Asia, including an Army division and an Air Force wing in the ROK, and a Marine unit, an aircraft carrier force, and a number of fighter wings in Okinawa, Japan [deployment details as published]. The U.S. Navy's Seventh Fleet will continue to maintain vigilance in the Western Pacific. The report also says that Japanese purchases of American weapons are favorable to both sides. The weapons can be used by both sides, and this point is very important. The United States will cooperate with Japan to deploy the theater missile defense system (TMD).

As far as China is concerned, the report says that over the past five years China has increased its military expenditure by 40 percent and has bought modern fighter aircraft. It is also said that China will import aircraft carriers. Therefore, the United States and China's neighbors would welcome increased transparency about China's weaponry and strategy.

The depiction of China's weaponry was extremely biased and untrue. In the past, China has reduced its armed forces by 1 million troops. This is a fact known to the whole world. The increase in the national defense budget is just aimed at making up for the effects of inflation. Moreover, China has over 10,000 km of coastline, so it is natural that it needs to increase and modernize its naval and air defense equipment. Since the adoption of the opening policy, China has invited military delegations from the United States, Europe, and Japan to visit the country more than once. The visitors watched China's military exercises and have seen the Navy and Air Force's equipment. It is groundless to say that China's weapons are not transparent enough.

The report reveals an undisguised attempt to pose confrontation against China: "Due to the economic growth momentum of the Asian region, the stability of this region is of crucial importance to the national interests of the United States; secondly, if the United States does not maintain a visible military force in Asia, a third country will replace the United States." The third country here refers to China. Moreover, the report also

mentions sovereignty disputes over some islands in the South China Sea and holds that this is the main cause of tension in Southeast Asia. Then, the report puts this on a par with Russia's occupation of Japan's northern territories by saying that this is also a factor which causes tension in East Asia.

Beginning last year, the United States gradually changed its security guarantee policy in Asia, promoted military modernization in Taiwan and the Southeast Asian countries, upgraded diplomatic relations with Taiwan, and strengthened relations with Vietnam and India. All of this could not but arouse misgivings in China. Does this constitute containment of China?

The Asian strategy report will certainly arouse China's serious attention. If the U.S. Government really puts this strategy into practice, it will certainly have a variety of effects on Sino-U.S. relations in the future.

Scholars at Forum Refute U.S. Human Rights Report

OW0303234895 Beijing XINHUA in English 1736
GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (XINHUA)—Scholars from Beijing's universities and the China Society for Human Rights Studies said at a forum today that the part about China in the 1994 "Human Rights Report" issued by the U.S. State Department on February 1 distorts facts and confuses right with wrong.

Zhu Muzhi, president of the China Society for Human Rights Studies said that the country has made great achievements in human rights protection, citing the fact that China feeds 22 percent of the world's population with 7 percent of its arable land.

The Chinese Government has moreover continued its efforts on the improvement of human rights for its citizens, ranging from its poverty-reduction drive and improving its legal system to the Hope Project, a program aimed at helping dropouts in poor areas back to schools.

Chen Zhishang, a professor from Beijing University, pointed out that the report, which is published by the U.S. Government every year, represents the United States' utter interference in China's internal affairs. The report is an unwarranted attack on China using the tactic of distorting facts and confusing right with wrong, he said.

He noted that people all over the world and international organizations, including the United Nations, have never entitled the United States to intervene in matters which are essentially within the domestic jurisdiction of any state. The report of the U.S. State Department is absolutely contradictory to the United Nations Charter and UN Resolutions concerned.

Gu Chunde, professor with the People's University of China, said that the report disregards the basic indices

for evaluating China's social conditions such as the ratio of the number of criminals to the whole population and the rate of recidivism among those who have been released from prison. "These figures in China are far lower than those in the United States," he said.

Shes-Rab Nyi-Ma, a Tibetan associate professor with the Central University for Nationalities, said that as everyone knows, great changes have taken place in Tibet and that the people there have led better lives under the leadership of the Chinese Communist Party.

He noted that the Tibetan people would never stand for any attempt to split the motherland and internationalize the Tibetan issue on the excuse of "human rights."

In his summary speech at the forum, Zhu Muzhi noted that there are big differences on the human rights issue between China and the United States, as well as between the U.S. And many other countries in the world.

The Chinese government maintains that having dialogue on the basis of equality is the only right way to reduce controversies and disputes on the human rights issue, and the stand taken by the Chinese government has won wide support from the international communities.

The China Society for Human Rights Studies, a non-governmental organization, was set up last March at the proposal of scholars and experts from a group of universities, research institutes, academic trade unions, and the women's federation.

U.S. Prisons Charging Inmates for Incarceration

OW0303234795 Beijing XINHUA in English 1802
GMT 3 Mar 95

[FBIS Transcribed Text] New York, March 3 (XINHUA)—More and more prisons in the U.S. are charging inmates for their incarceration, making them pay for room and board and even medical care.

Proponents believe the new practice is an additional means for inmates to pay their debt to society but critics say it will hurt the families of inmates or encourage inmates to commit more crime when they get out.

About a half dozen states in the U.S. have enacted laws permitting room-and-board charges by prisons in recent years, and local governments are giving it a try as correction officials scramble to cover the rising costs of housing prisoners. Last year, Michigan lawmakers doubled the rate that counties may charge inmates to 60 dollars a day—about the cost of a night at a Holiday Inn hotel, the Wall Street Journal reported.

Beginning this year, inmates entering Federal facilities will be assessed a one-time "costs of incarceration" fee, currently set at about 21,000 dollars, with exceptions to be made for individuals who fall below the poverty line and some others. The program is expected to raise about 48 million dollars a year.

A companion practice allows prisons to charge inmates a few dollars each time they see a nurse or doctor.

"Prison space is a scarce and costly resource," said Kathleen Hawk, director of the federal Bureau of Prisons. She said the fee is "an additional means for inmates to pay their debt to society."

Proponents believe charging inmates is workable and justified. As some prisons are equipped with expensive facilities, they said, charging inmates will help offset costs and promote responsible behavior. Some correction officials also said wealthy inmates like ex-bankers are a good source of revenue.

Critics question the effectiveness of the practice because of the time and effort it takes to track the released prisoners and bill them, and they say when ex-inmates are driven into poverty they will become a burden on government welfare. One prisoner said that the program will not make inmates more responsible and that many of his fellow inmates "will rob the first thing they see" after release.

Central Eurasia

Talks on Russian Submarine Purchase End

HK0403031395 Hong Kong SOUTH CHINA MORNING POST in English 4 Mar 95 p 1

[By Staff Reporters]

[FBIS Transcribed Text] Beijing has concluded discussions to buy an additional six submarines from Russia to boost its naval arsenal, according to diplomatic sources.

The Kilo-class attack vessels are in addition to the four that Moscow admitted last month to having sold to the Chinese.

The Beijing sources said the People's Liberation Army (PLA) had also finished preliminary discussions on the purchase later this decade of a further 12 Russian submarines.

Western estimates of the cost of each of the vessels range from US\$200 million (HK\$1.55 billion) to US\$250 million.

According to sources close to the PLA, the Army is likely to get a budgetary increase this year that is "even better" than the 20 per cent it got in 1994.

The sources pointed out that while the official PLA budget for last year was a mere 52 billion yuan (HK\$47.68 billion), money for the procurement of weapons came from "hidden" subsidies and other unpublicised funds.

A military source said that the Chinese would be getting different models of the Kilo-class submarines, but all had the advantage of being "quiet and efficient".

"The Chinese are prepared to buy so many expensive submarines because they are interested in technology transfer," the source said. "The Russians will only agree to part with technology upon bulk sales and large profits."

The source added that since the policy-making Central Military Commission (CMC) had yet to make a decision on whether to build an aircraft carrier, the acquisition of sophisticated submarines remained the primary goal of expansion. At the same time, the Chinese Navy has been building a new generation of submarine-launched ballistic missiles.

It is believed that while naval officers are lobbying the CMC for permission to build an aircraft carrier, other military and civilian units have reservations about it.

Naval engineers have already built elaborate models of the first generation of Chinese-made carriers. However, Western diplomats have pointed out that despite the difficult political relationship with the United States, military exchanges between the two countries have progressed satisfactorily since Defence Secretary William Perry's visit to China last year.

National Defence University President Zhu Dunfa is currently in the US on a goodwill tour.

It is understood he will finalise details for an American tour by CMC vice-chairman General Liu Huqing.

The two countries have already agreed to resume naval port calls.

Southeast Asia & Pacific

NPC Vice Chairman Meets Cambodian Assembly Delegation

OW0303135095 Beijing XINHUA in English 1259 GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (XINHUA)—Wu Jieping, vice-chairman of the National People's Congress (NPC) Standing Committee, met with a delegation of the National Assembly of the Kingdom of Cambodia and hosted a banquet in their honor here this evening.

The 23-member delegation, led by its chairman, Chea Sim, arrived here today on an official good-will visit to China at the invitation of the NPC Standing Committee.

NPC Vice Chairman Meets Cambodia's Chea Sim

BK0403122995 Beijing China Radio International in Cambodian 1030 GMT 4 Mar 95

[FBIS Translated Text] On the night of 3 March at the Great Hall of the People in Beijing, Wu Jieping, vice chairman of the Standing Committee of the National People's Congress, held talks with His Excellency [H.E.] Samdech Chea Sim, chairman of the National Assembly

of the Kingdom of Cambodia [KoC], and his colleagues. The two sides exchanged views in a friendly atmosphere.

Vice Chairman Wu Jiaping said the exchange of friendly visits between China and Cambodia has existed for nearly two millennia. The Chinese people know well about the Angkor Wat—an example of the architecture of this civilization. Especially, the first meeting between former Chinese Premier Zhou Enlai and Samdech Preah Norodom Sihanouk in 1955 had opened a new page in the history of Chinese-Cambodian friendship. In the past several years, ties in fields such as political, economic, and trade have developed remarkably.

Vice Chairman Wu Jieping added that in the past two years, the KoC has developed rapidly in all fields, and that they are very happy and encouraged by this fact.

H.E. Samdech Chea Sim said: Our two countries have exchanged friendly visits since time immemorial. In the past years, the exchange of visits between government leaders of our two countries have enhanced our friendship and solidarity. The Chinese people are the great friends of the Cambodian people. His Majesty King Norodom Sihanouk is a great friend of the Chinese people. This visit of the Cambodian National Assembly delegation will definitely strengthen and enhance the friendship and solidarity between Cambodia and China to another level.

H.E. Samdech Chea Sim stressed: His Majesty King Norodom Sihanouk and the Royal Government of Cambodia will as before, support the Chinese government's stand on national reunification and recognize only one China—Taiwan is a part of China.

Wu Jieping said the NPC Standing Committee has decided to provide 50 water pumps to the KoC National Assembly.

H.E. Samdech Chea Sim thanked China for always supporting the Cambodian people.

Qiao Shi Told Sihanouk Health 'Restored'

*OW0403140095 Beijing XINHUA in English 1309
GMT 4 Mar 95*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—Qiao Shi, chairman of China's National People's Congress (NPC) Standing Committee, met here this afternoon with a delegation of the National Assembly of the Kingdom of Cambodia led by its president Chea Sim.

During the meeting, Chea who arrived here Friday [3 March] on an official goodwill visit to China at the invitation of the NPC Standing Committee, reiterated that Cambodia and its government, under the leadership of King Norodom Sihanouk, will resolutely adhere to its stand on the "one-China" policy.

He said that Cambodia has always held that Taiwan is an inalienable part of the People's Republic of China and that the country will, as always, support China's peaceful reunification.

Qiao Shi expressed his appreciation for this, adding that both countries have enjoyed very good ties and it is his hope that those relations will continue to grow.

Che Sim noted that China is a great friend of Cambodia, and he said he had held talks yesterday with Wu Jieping, vice-chairman of the NPC Standing Committee, during which they briefed each other on their countries' situations.

He said that the delegation's visit to China will surely open a new chapter in the growth of relations between the two countries and the two parliaments.

Che Sim told Qiao that King Sihanouk's health has been restored, and Qiao expressed his pleasure upon hearing this and wished him good health and a long life.

Rong Yiren Meets Cambodian National Assembly Head

*OW0403141795 Beijing XINHUA in English 1353
GMT 4 Mar 95*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—Chinese Vice-President Rong Yiren met here today with a delegation from the National Assembly of the Kingdom of Cambodia, headed by its president Chea Sim.

Rong told the delegation that China is pleased to see the economic growth and the improvement of people's standard of living in Cambodia in recent years.

Although some difficulties still exist in Cambodia's domestic affairs, both the local and international atmosphere is favorable to focusing on the development of the Cambodian economy, Rong said, expressing the hope that Cambodia, under the leadership of King Sihanouk, will take advantage of the current opportunity to make progress in national reconstruction.

The vice-president remarked that China will welcome King Sihanouk and his wife for a visit to China again.

Che Sim noted that their current China visit will promote friendship and cooperation between the two countries and their two parliaments.

The Cambodian National Assembly president also expressed his thanks to the Chinese government for its contribution to promoting the Cambodian peace process and the country's reconstruction.

Wu Bangguo Meets With Vietnam Peace Committee

*OW0203100995 Beijing XINHUA in English 0959
GMT 2 Mar 95*

[FBIS Transcribed Text] Beijing, March 2 (XINHUA)—Wu Bangguo, member of the Political Bureau and Secretariat of the Chinese Communist Party (CPC) Central Committee, met with a delegation from the Vietnam Peace Committee here today.

The delegation is here as guest of the Chinese People's Association for Peace and Disarmament.

Zou Jiahua Meets Australian Visitors

*OW0503160695 Beijing XINHUA in English 1543
GMT 5 Mar 95*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—Chinese Vice-Premier Zou Jiahua met with Richard Court, Premier of the State of Western Australia of Australia, and his party here today.

Zou said that China and Australia enjoy a fine relationship in politics and are complementary in their economies, with a fairly good basis for cooperation in the fields of economy, trade and technology.

He noted that the State of Western Australia takes quite a big share in Sino-Australian economic and trade ties. With the growth of China's economy, the prospect of mutually beneficial cooperation between the two sides is becoming even more promising, the Vice-Premier added.

Court said that Australia has already set up fruitful cooperative relations with China. He expressed the hope to explore ways for further cooperation in the fields of energy and resource development between the Western Australia and China.

Court and his party arrived here yesterday, following their trip to Shanghai, China's largest economic center.

Zhejiang, Western Australia To Promote Exchanges

*OW0403025495 Beijing XINHUA in English 0213
GMT 4 Mar 95*

[FBIS Transcribed Text] Hangzhou, March 4 (XINHUA)—A committee aimed to promote economic exchanges between East China's coastal province, Zhejiang and the Australian state of Western Australia has been founded here.

Wan Xueyuan, Governor of Zhejiang and Richard Court, Premier of the Australian state signed an agreement in Hangzhou yesterday announcing the establishment of the committee. Zhejiang and Western Australia forged formal ties of friendship in 1987.

Wide exchanges have been carried out between the two places in economic and trade area. Agreements have been reached on expanding cooperation in agriculture and fishery. In 1989 a Zhejiang fishing fleet sailed to the sea near Western Australia and began to haul fish there. Last year a dozen of import and export companies from Zhejiang organized commodities fairs in Australia, with a turnover exceeding 10 million US dollars.

In return, Western Australia sent delegations to made investigations into agriculture, textile, mineral resources

in Zhejiang, investing in medical and health products, tabular spar mining and cement works.

The committee will open offices in Zhejiang and Western Australia respectively.

Officials Say Migrants to Australia Not SRV

HK0303150595 Beijing ZHONGGUO XINWEN SHE in English 1420 GMT 3 Mar 95

[FBIS Transcribed Text] Beihai, March 3 (CNS)—Officials here say today that most boat people illegally leaving Beihai of Guangxi for Australia are migrants of China, the so-called event that the Chinese Government has dispelled Vietnamese refugees to illegally emigrate to Australia is untrue.

Since last November, the media in Queensland and other parts of Australia has continuously covered Chinese boat people to Australia, saying that Beihai's government had destroyed Vietnamese houses and tried to dispel refugees to leave Beihai for Australia and other countries by ships.

Officials here say that reports made by the Australian side are groundless, irresponsible and twists the truth.

An official here says that since the Qiaogang Town of Beihai City achieved success in resettlement of refugees escaping from Vietnam to China in 1978, some refugees who have been resettled in other places of China came to Qiaogang Town to reside without an approval of relevant administrations. Adding resume of Sino-Vietnamese non-governmental trade after 1989 and development trend in Beihai, many persons coming from other provinces also arrived in Qiaogang Town [sentence as received].

Till May of 1993, some 1750 families have come to the Town from other provinces, half of them enjoy capacity of Vietnamese refugees, respectively coming from Guangdong, Fujian, Hainan, Yunnan and other parts of Guangxi. In 1992, these blind migrants reached even as many as over 13,000 in number.

The official discloses that 98 illegal immigrants were repatriated to China from Malaysia in last September, more than 20 of them were refugees from Beihai. Among 19 IIs repatriated from Australia in last November, 10 were from Beihai and none of them were refugees.

It is disclosed that the first batch of IIs in July of 1993 totaling over 50 persons have acquired the right of abode in Australia. In one year after that some people illegally emigrated or tried to illegally emigrate to Australia, quite a number of them are not Vietnamese refugees but migrants from various parts of China who intended to emigrate abroad. These people all called themselves Vietnamese refugees from Beihai in order to seek shelter from Australian government.

NPC

Reportage on Developments Before NPC's Opening

Jiangsu Forms NPC Delegation

OW0603003995 Nanjing Jiangsu People's Radio Network in Mandarin 2300 GMT 3 Mar 95

[From the "702 Morning News" program]

[FBIS Translated Text] On 3 March, Jiangsu's deputies to attend the Third Session of the Eighth National People's Congress officially formed themselves into a delegation and held the first plenary session at Beijing's Central Organization Department Reception Center.

The deputies unanimously elected Chen Houyou as the delegation head; and Shen Daren, Cao Hongming, and Zhang Yaohua as deputy delegation heads. These delegation leaders urged all the delegates that, as people's deputies, they should strive to fulfil their sacred responsibilities and put their minds on attending the session.

Meeting Decides Presidium Members

OW0403022495 Beijing XINHUA in English 0203 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—The Third Session of the Eighth National People's Congress (NPC), scheduled to open tomorrow, held a preparatory meeting here today.

During the meeting NPC deputies elected a presidium of 164 members and a secretary-general, and adopted the agenda for the annual session.

Qiao Shi, Chairman of the NPC Standing Committee, presided over today's meeting.

He said that the current NPC Session will be held at a time when China has taken a decisive step in establishing a socialist market economic structure, the country's economy has maintained a fine momentum of rapid growth, and notable successes have been achieved in promoting ideological and cultural progress, socialist democracy and legal construction.

According to Qiao, the guideline for the current session is to adhere to Deng Xiaoping's theory of building socialism with Chinese characteristics and the Chinese Communist Party's basic line, implement the guidelines of the Party's 14th National Congress and the third and fourth plenary sessions of the Party's 14th Central Committee, further mobilize the entire Chinese people to work harder, accelerate the establishment of a socialist market economic structure, promote socialist democracy and legal construction, and achieve a sustained, rapid and sound growth of China's economy.

The presidium of the current NPC Session remains virtually unchanged, compared with that of the Second

NPC Session last year. Among the presidium members are 27 Party and government leaders, including Jiang Zemin, general secretary of the Party Central Committee, Qiao Shi, NPC chairman, Li Ruihuan, chairman of the National Committee of the Chinese People's Political Consultative Conference, Liu Huaqing, vice-chairman of the Central Military Commission, and Hu Jintao, a Standing Committee Member of the Political Bureau of the Party Central Committee.

Retired Chinese leader Deng Xiaoping, the chief architect for China's reform and opening up, was elected a member of the presidium.

In line with the accepted practice, starting from the Second Session of every NPC, members of the State Council, president of the Supreme People's Court and procurator-general of the Supreme People's Procuratorate are not elected to the presidium.

That is why Premier Li Peng, Vice-Premier Zhu Rongji and other principal members of the State Council were not listed as presidium members.

Tian Jiyun, vice-chairman of the NPC Standing Committee, was elected as the Secretary-General of the current NPC Session.

Presidium members include 16 leaders of various non-Communist parties, the All-China Federation of Industry and Commerce and persons without party affiliation, 32 leaders of central Party, government and army departments and mass organizations, 41 deputies from special economic zones, deputies from Hong Kong and Macao, deputies from the People's Liberation Army and armed police, and deputies from such sectors as the economy, science and technology, education, culture, public health and sports, 16 deputies of various ethnic minority groups, and 32 leaders of various delegations to the current NPC Session.

Attending today's meeting were 2,642 deputies. The agenda adopted for the current session includes hearing and deliberating the government work report, hearing and examining a report on the implementation of the plan for 1994 economic and social development and a draft plan for 1995 economic and social development, hearing and deliberating a report on the implementation of the 1994 State budget and a draft 1995 budget for the central government and local governments, examining the draft Education Law and the draft Law on the People's Bank of China, hearing and deliberating reports on the work of the NPC Standing Committee, the Supreme People's Court and the Supreme People's Procuratorate, and electing new members of the NPC Standing Committee.

The preparatory meeting also decided that the current session will last 14 days. While deputies examine the government work report, leaders of various central departments and the State Council will attend plenary meetings of various NPC delegations to solicit deputies' views and comments.

The NPC, the organ of supreme power in China, convenes a plenary session early every year. The current NPC Session will open five days earlier than the Second NPC Session held last year, in a move to make it easier for all localities to fulfill various tasks.

Presidium Holds First Meeting

OW0403023095 Beijing XINHUA in English 0219
GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—The newly-elected presidium of the Third Session of the Eighth National People's Congress (NPC) held its first meeting here today.

Of the 164 presidium members, 138 attended the meeting.

The meeting elected chairman of the NPC Standing Committee Qiao Shi, 18 vice-chairmen of the NPC Standing Committee including Tian Jiyun and Wang Hanbin, and secretary-general of the NPC Standing Committee Cao Zhi as executive chairmen of the presidium.

It also decided that Cao Zhi, State Councillor Luo Gan, chairman of the NPC Law Committee Xue Ju, and vice-chairman of the NPC Foreign Affairs Committee Zhou Jue serve as deputy secretaries-general of the current NPC session.

The meeting approved the voting method—pressing the voting machine—to be used during the session, and the vote winning result—a simple majority of all deputies.

It approved a draft decision to accept the resignation of NPC Standing Committee member Xu Jialu and decided to submit it to the session for voting.

According to organization regulations of the NPC, members of the Standing Committee are not allowed to hold concurrent posts in administrative departments, judicial organs and procuratorial bodies; otherwise, they should resign from the Standing Committee. At present, Xu is serving in the leadership of the State Language Work Committee.

It set 6:00 p.m. [0900 GMT] on March 16 as the deadline for bill submission by deputies.

More on Preparatory Meeting

OW0403055795 Beijing Central People's Radio Network in Mandarin 0300 GMT 4 Mar 95

[By network reporter Liu Zhenmin; from the "News" program]

[FBIS Translated Text] The Third Session of the Eighth National People's Congress [NPC] held a preparatory meeting at the Great Hall of the People this morning [4 March].

Chairing the meeting, NPC Standing Committee Chairman Qiao Shi said that all the preparations for the upcoming Third Session of the Eighth NPC had been made and the session is scheduled to open in Beijing on 5 March. He said a total of 2,977 deputies should attend the session, and 2,642 deputies were present at the day's preparatory meeting.

Qiao Shi said: The Third Session of the Eighth NPC is an important meeting which takes place at a time when China has taken a decisive step in establishing a socialist market economic structure, the country's economy has maintained a fine momentum of rapid growth, and notable successes have been achieved in promoting socialist ethics and democracy and the construction of a legal system. The session's success will be significant for accomplishing the general mission of seizing the opportunity to deepen reform, open wider to the outside world, expedite development, and maintain stability; and for achieving a consensus of views, making overall plans, strengthening coordination, doing solid work, and achieving even greater success in accomplishing all assignments for this year surrounding economic construction, the central task.

Qiao Shi added: The guideline for the upcoming session is: Adhere to Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the CPC's basic line; fully implement the guidelines laid down by the 14th National Party Congress and the Third and Fourth Sessions of the 14th CPC Central Committee; emancipate our minds, seek truth from facts, have a clear understanding of the situation and assignments; and continue to mobilize people of all nationalities in the country to work hard together in expediting the establishment of a socialist market economic structure, in promoting socialist ethics, in building a democracy and legal system, in achieving a sustained, rapid, and healthy national economic development, and in promoting social progress in all fields.

After Qiao Shi explained the preparations for the session, the draft namelists of the presidium members and secretary general, and the session's agenda, the deputies, through balloting, elected 164 members to form the presidium and also elected Tian Jiyun as the session's secretary general.

The preparatory meeting today adopted the agenda of the Third Session of the Eighth NPC: Hearing and examining Premier Li Peng's government work report, and a report given by Chen Jinhua, minister in charge of the State Planning Commission, on the execution of the 1994 economic and social development plan and the draft 1995 economic and social development plan; examining and approving the execution of the 1994 economic and social development plan, and the 1995 economic and social development plan; hearing and examining a report given by Finance Minister Liu Zhongli on the execution of the 1994 state budget and the draft 1995 central and local budgets; examining and

approving a report on the execution of the 1994 state budget and the 1995 central budget; examining the draft Education Law and the draft Law on the People's Bank of China; hearing and examining a report given by NPC Vice Chairman Tian Jiyun on the work of the NPC Standing Committee; hearing and examining a report given by Ren Jianxin, president of the Supreme People's Court, on the work accomplished by the Supreme People's Court, and a work report given by Zhang Siqing, procurator general of the Supreme People's Procuratorate, on the work accomplished by the Supreme People's Procuratorate.

While the upcoming session examines the government work report, persons in charge of the State Council and relevant departments and committees will hear the deputies views at their plenary sessions.

NPC's Agenda Outlined

HK0403055395 Hong Kong WEN WEI PO in Chinese
4 Mar 95 p A2

[By staff reporting group: "National People's Congress To Hold Preparatory Meeting Today, Deng Remains NPC Deputy"]

[FBIS Translated Text] Beijing, 3 Mar—A preparatory meeting for the Third Session of the Eighth National People's Congress [NPC] will be held tomorrow [4 March]. The presidium will also meet on the same day. Deng Xiaoping remains an NPC delegate and a candidate for presidium membership.

It is learned that the agenda of the current NPC session has been initially decided and will come into effect after being deliberated by the preparatory and presidium meetings. The initial agenda is as follows:

On the morning of 4 March, an NPC preparatory meeting will be held to elect the presidium and the secretary general and to pass the agenda. Later, the presidium will meet to adopt the agenda and decide other matters.

On the morning of 5 March, the session will open and Li Peng will deliver the government work report.

On the morning of 6 March, Chen Jinhua and Liu Zhongli will deliver planning and budget reports respectively.

From 7 to 9 March, groups and delegations will hold discussions.

On the afternoon of 10 March, the presidium will hold a second meeting to decide candidates for the State Council deputy premierships, of which the list will be given to the delegations for discussion, as well as a draft list of candidates for a by-election for membership of the Eighth NPC Standing Committee.

On the afternoon of 11 March, Tian Jiyun will deliver a report on work done by the NPC Standing Committee,

Zhu Kaixuan will give a report on the draft education law, and Zhou Zhengqing, vice governor of the People's Bank of China, will give a report on the draft banking law.

On 12 March the session will be in recess.

On 13 March, the session will hear work reports from the Supreme People's Court and the Supreme People's Procuratorate.

From 14 to 16 March, the groups and delegations will hold discussions and the presidium will hold its third and fourth meetings.

On the morning of 17 March, a full meeting will be held to decide upon the State Council vice premiers and to elect NPC Standing Committee members to fill related vacancies.

The session will end on the afternoon of 18 March.

Deng Included in Presidium

HK0603073995 Guangzhou Guangdong People's Radio Network in Mandarin 1000 GMT 4 Mar 95

[FBIS Translated Text] Our staff reporter has learned from the preparatory meeting of the Guangdong delegation of deputies attending the Third Session of the Eighth National People's Congress [NPC] that Deng Xiaoping's name remains on the namelists of the presidium and secretariat for the current session.

According to the draft namelist of document no. 1 of the preparatory meeting, the presidium has 164 persons, and Deng Xiaoping is in 18th place on the name list arranged in the order of the number of strokes [of the Chinese characters] in their surnames.

It was also learned that the draft namelists of the presidium and secretariat of the Third Session of the Eighth NPC were roughly the same as those of the Second Session of the Eighth NPC, with the exception of just one or two personnel changes.

The convocation of the Third Session of the Eighth NPC and the Third Session of the Eighth National Committee of the Chinese People's Political Consultative Conference has brought a festive atmosphere to Beijing.

Zhou Guanwu Included in Presidium

HK0603045595 Hong Kong MING PAO in Chinese 4 Mar 95 p B1

[By staff reporters group: "Zhou Guanwu Is Still on the List of NPC Presidium"]

[FBIS Translated Text] The name of Zhou Guanwu, former chairman of the board and secretary of the party committee of the Shoudu Iron and Steel Complex [Shougang] is still on the namelist of the presidium of the National People's Congress [NPC], which will be held tomorrow. Although Zhou Guanwu was hospitalized in

Beijing's Military 301 Hospital the day after his son, Zhou Beifang, was investigated by the procuratorial organ, sources said yesterday that he has now moved to the Jingyan Hotel, where the Beijing people's delegation is staying and he is deputy head of the delegation.

Informed sources revealed that Shougang is currently "squaring accounts" with the father and son but, as has been learned, a comparatively objective appraisal has been made on their performances. On Zhou Guanwu, a relevant department held that he had made certain contributions to Shougang's reform in the earlier period but failed to "maintain good moral integrity in his later years." He became arrogant in work style and somewhat decadent in his personal life. However, as has been learned, some workers at the grass roots who have benefited from Shougang's reform, are still grateful to him.

It has been disclosed that the main issue in the major economic cases with which Zhou Beifang is involved is that he misappropriated an enormous amount of public funds after incurring great losses in his speculations in the mainland's stock market. The others involved in this case are the son and secretary of the chief leader of Beijing Municipality. It is said yhsy the secretary once attempted to jump off a building to kill himself but was saved.

Sources said that recently, some other people in Beijing who are involved in economic cases, have also been investigated, including a former secretary of a chief leader of Beijing, the secretary of a former vice mayor of Beijing, and the person in charge of Beijing's urban planning department. However, it is said that their cases have nothing to do with Zhou Beifang's case. Deng Zhifang, Deng Xiaoping's youngest son, is also not involved in Zhou Beifang's case.

Although there have been no public reports on the procuratorial organ's investigations of the cases involving Zhou Beifang and the secretary and son of Beijing's chief leader, the matter is already known to almost every household in Beijing.

It has been learned that the series of actions taken by the Beijing Municipal Government is only a small part of the "clean-government tempest" at the higher level. The official mainland media disclosed some days ago that to study and make arrangements for anticorruption work, some members of the CPC Political Bureau Standing Committee had been kept so busy that they did not even have time to have their lunch. The media also quoted the following remarks by Deng Xiaoping as a warning: "If we fail to boost the economy, we will surely fall from power; if we fail to sweep off corruption, we will also fall from power."

As is learned, the problem of corruption, which is becoming more and more serious on the mainland, has aroused great indignation among the people. Official figures show that last year, some 1.168 million letters

were received from the people complaining about corruption by government officials at various levels and more than 10,000 government work personnel were involved in 30 percent of the economic criminal cases handled and wound up by the people's courts. A relevant department predicted that the anticorruption issue will continue to be one of the focuses of attention of the public media this time. However, in accordance with the principle that "stability is an overriding issue," various sectors have been required to lower their voices on this issue. During the period of the two sessions, reports on some major and typical cases are not allowed. Informed sources said that the election of Zhou Guanwu to the NPC presidium may reflect the intention of the relevant department to dim the impact of the Zhou case through a positive appearance.

Top Leaders Gather for NPC Meeting

OW0503141095 Beijing XINHUA in English 1326
GMT 5 Mar 95

[“Feature”]

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—Half an hour before the opening of the Third Session of the Eighth National People's Congress [NPC] this morning, top Chinese leaders arrived at a lounge in the Great Hall of the People one after another.

Chinese President Jiang Zemin stepped inside the lounge with a smile on his face and extended greetings to others. He then got into conversations with Chinese Premier Li Peng, Chairman of the Standing Committee of the National People's Congress (NPC) Qiao Shi and Chairman of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) Li Ruihuan. All of them are deputies to the NPC.

Referring to the current sessions of the NPC and the CPPCC National Committee, Jiang expressed the hope that NPC deputies and CPPCC members would speak their mind out and jointly discuss State affairs.

He said that China will become prosperous and strong as long as all the people concentrate their efforts for economic development.

Premier Li Peng was going to deliver a report on the work of the government at the opening meeting. He said that he hopes to listen to the opinions and proposals of the NPC deputies and CPPCC members with an open mind and improve the government's work. "We will do more practical things in the new year and do a better job in every aspect."

Qiao Shi, the executive chairman of the session, came earlier than others and was found talking with Lu Jiaxi, chairman of the Central Committee of the Chinese Peasants and Workers Democratic Party.

When Vice-Premier Zou Jiahua came in, Lu Jiaxi told him that he learned that the construction of a

hydropower station in east China's Fujian Province encountered some difficulties and expressed the hope that the State Council would extend due support. Zou promised to immediately look into the matter.

Hearing that Zou was to inspect military industrial enterprises in southwest China's Sichuan Province after the NPC session, Liu Huaqing, vice-chairman of the Central Military Commission, was very pleased and kept saying, "Very good, very good."

Meanwhile, Vice-Premier Zhu Rongji was chatting with Qian Qichen, Vice-Premier and Foreign Minister, and Chen Muhua, vice chairman of the NPC Standing Committee and chairman of the All-China Women's Federation.

When the bell rang for the opening of the meeting, the leaders got up immediately and walked into the meeting place for the grand occasion.

NPC Spokesman Holds News Conference Before Third Session

OW0403150695 Beijing China Radio International in Mandarin to Asia 0900 GMT 4 Mar 95

[From the "Report on Current Events" program]

[FBIS Translated Text] Dear listeners and friends, the Third Session of the Eighth National People's Congress [NPC] is going to open in Beijing on 5 March. On 4 March, Eighth NPC news spokesman Zhou Jue held a news conference to brief Chinese and foreign reporters covering the session on its relevance and answer questions. First of all, Zhou Jue reviewed the NPC's work in the past year.

[Begin recording] [Zhou] In the past year, the NPC Standing Committee firmly [observed] the principle of seizing the opportunity, deepening reform, opening up wider, promoting exchange, and maintaining stability; accelerated legislation of economic laws; formulated some laws for a socialist market economy; inspected and supervised the enforcement of major laws in a planned way; improved foreign affairs work; and promoted the understanding of China by foreign parliaments, governments, and people as well as the friendship between them and China. [end recording]

Zhou Jue said: The Third Session of the Eighth NPC will last for about 14 days. On top of the agenda are listening to and discussing the government work report of Li Peng, State Council premier; a report by Chen Jinhua, minister in charge of the State Planning Commission, on the implementation of the 1994 plan for national economic and social development and on a draft plan for national economic and social development in 1995; and a report by Liu Zhongli, finance minister, on the implementation of the 1994 state budget and on the 1995 draft budget for both central and local governments; and examining and approving the 1995 plan for national economic and social development and the 1995 budget

for central and local governments. In addition, the session will examine and discuss a draft law on education and a draft law on the People's Bank of China; and hear and discuss the work reports of the NPC, the Supreme People's Court, and the Supreme People's Procuratorate. When a reporter asked him what legislative work the NPC will do during the current session, Zhou Jue answered:

[Begin recording] [Zhou] This year is the third of the current NPC's tenure and an important one for the framework of a general legal system for the socialist market economy to take shape. The NPC is prepared to pay close attention to discussing (?18) laws and all laws on the establishment of a socialist market economy. They include laws on negotiable instruments, insurance, securities, state-owned assets, and contracts. [end recording]

Zhou Jue said: While speeding up the pace of legislation, the NPC attaches great importance to inspecting and supervising law enforcement and government work. The NPC specially adopted a resolution on the inspection of law enforcement to continuously improve and strengthen inspection and supervision. Last year, the NPC Standing Committee heard work reports by the State Council and relevant departments and organized eight inspection teams to check on the enforcement of laws and regulations in eight provinces and municipalities. They produced comparatively good results. In reply to a question on what the NPC will do to develop cross-strait relations, Zhou Jue said:

[Begin recording] [Zhou] Promoting development of cross-strait relations and realizing peaceful reunification at an early date are the common aspirations of all Chinese people, including Taiwan compatriots. The NPC completely agrees with and resolutely supports General Secretary Jiang's important speech. In the past, the NPC and its Standing Committee did a large amount of positive work to promote development of cross-strait relations. In recent years, the NPC and its Standing Committee promulgated a series of laws. In particular, the Law on the Protection of Investments of Taiwan Compatriots in the PRC passed last year played a positive role in protecting the proper rights and interests of Taiwan businessmen and in promoting cross-strait exchanges in all fields of endeavor and particularly economic cooperation. In the future, we will continue to make efforts to expedite development of cross-strait relations and promote the motherland's peaceful reunification in accordance with the stand expressed by General Secretary Jiang. We hope the Taiwan authorities will do more practical work to really expand cross-strait contacts and exchanges and develop cross-strait economic cooperation in the future. [end recording]

Spokesman on Anticorruption Laws

OW0403060895 Beijing XINHUA in English 0512
GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—China's National People's Congress, the country's

highest legislative body, will step up legislation and supervision over law enforcement this year.

While accelerating the pace of legislation, the Eighth NPC and its Standing Committee have attached great importance to supervision and inspection of law enforcement and the work of government departments, said Zhou Jue, spokesman for the NPC third session, which is to open here tomorrow.

Legislation and supervision over administrative, judicial and procuratorate organs are two most important functions of the NPC, Zhou said.

Last year, he said, the NPC Standing Committee sent eight inspection teams to different localities to check the enforcement of laws such as the "Agriculture Law", the "Law Against Unfair Competition" and the "Law on the Protection of the Interests of Consumers", the "Product Quality Law", and the "Law on Punishing the Crimes of Selling and Producing Shoddy and Counterfeit Products".

The NPC will, in the future, accord equal importance to strict law enforcement and legislation.

Answering questions on the fight against corruption and building up a clean and honest government, Zhou said that emphasis will be placed on drafting laws and regulations on economic activities, including those against smuggling and other economic crimes.

He noted that the State Compensation Law, which went into effect on January 1 this year, is a very important law for the protection of citizens' rights and for the enhancement of socialist democracy and legal construction. Following the Administrative Procedure Law adopted in 1990, this new law is a very important symbol of China's efforts to protect the human rights of its people.

Spokesman Comments on Taiwan

OW0403122395 Beijing XINHUA in English 1215
GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—A spokesman for the Third Session of the Eighth National People's Congress (NPC) said here today that he hopes the Taiwan authorities would make concrete measures to develop relations between the two sides across the Taiwan Straits and make an overall response to President Jiang Zemin's recent speech on the Taiwan issue.

Zhou Jue, the spokesman, made these remarks at a press conference. He said that the NPC, China's top legislature, will continue to make great efforts in promoting relations between the two sides in accordance with Jiang's speech.

Jiang made an eight-point proposal on the eve of the Chinese New Year, calling for stronger links between the two sides and an earlier realization of the peaceful reunification of China.

The spokesman said that the NPC has done a great deal in helping develop relations across the Taiwan Straits and the law to protect Taiwan investors' interests on the Chinese Mainland, which the NPC adopted last year, in particular, has greatly helped with economic cooperation between the two sides.

He noted that it is the common desire of the Chinese people, including the Taiwan compatriots, to develop cooperation and exchanges between the two sides and to realize the peaceful reunification of the motherland.

Forum for Dissidents Ruled Out

HK0403063795 Hong Kong AFP in English 0611 GMT
4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (AFP)—Dissident petitions submitted to the Chinese parliament calling for sweeping democratic reforms have no chance of being tabled before deputies, an official spokesman indicated Saturday.

The National People's Congress (NPC) annual session which opens Sunday will highlight social issues such as corruption, but a series of dissident petitions filed this week—one of which called for an independent probe into government graft—will not be discussed, NPC spokesman Zhou Jue said.

Resolutions must be tabled by at least 30 deputies or a provincial delegation, Zhou said, adding that if the correct procedure was not followed "the NPC will not deliberate these ideas and suggestions."

Zhou reiterated that people deprived of their political rights cannot petition parliament, and he accused the dozens of intellectuals and dissident who signed some six petitions this week of playing up to the international press.

"Long before these people mailed petitions to the NPC, they disseminated them to the international media to play on these issues. So it is not difficult to see their true motive," he said.

As well as addressing corruption, the petitions called for legal human rights guarantees, the release of certain political prisoners and a scrapping of the country's notorious reeducation-through-labour camps.

At the same time, Zhou stressed that the NPC "attached great importance" to the issue of official corruption, which can only be effectively tackled by "legal system building and education."

However, he admitted that Chinese people were "not satisfied" with the government's efforts to combat corruption and said there was "still a long way to go" before their demands could be met.

Zhu said premier Li Peng would address the graft issue in his annual government work report, which would also

touch on the sensitive issues of inflation and reform of state enterprise and agriculture.

Questioned as to whether China's ailing patriarch Deng Xiaoping, who was elected Saturday to the NPC presidium, was well enough to attend the session, Zhou refused to comment.

He also declined to speculate on any personnel changes at the vice-premier level.

Two politburo members, Wu Bangguo and Jiang Chuanyu are expected to be promoted to vice premier during the session, but it remains unclear which, if any, of the incumbent vice premiers will be replaced.

Various Groups Present Petitions to NPC

Dissidents Present Petition

OW04030908s Tokyo KYODO in English 0842 GMT
4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 KYODO—Twelve pro-democracy dissidents have submitted to China's National People's Congress [NPC] a petition demanding abolition of the indefinite detention of suspects without judicial process, Chinese sources said Saturday [4 March].

The petitioners include noted activist Chen Ziming, who has been paroled because of illness, they said.

In all, four pro-democracy petitions have been submitted to the congress, which will convene the third session of its eighth five-year term Sunday.

Chen's group has submitted another petition to the congress, asking for democracy and a crackdown on corruption.

A separate group of more than 20 dissidents, including activist Wang Dan, has also presented two petitions demanding protection of human rights and improvement of the detention system.

Presentation of petitions to the congress is a lawful activity, but Zhou Jue, a congressional spokesman, told a press conference Saturday that those who have been deprived of their political rights are not eligible to submit petitions.

Zhou also criticized the petitioners for releasing the contents of the demands to Western press organizations beforehand.

Separately, a group of citizens led by Tong Zeng has urged the congress to adopt a resolution demanding that Japan pay restitution for its wartime actions in China.

Group Seeks Compensation From Japan

OW0403145395 Tokyo KYODO in English 1435 GMT
4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 KYODO—A Chinese private group demanding war compensation

from Japan for wartime civilian casualties submitted a petition to the Chinese People's Political Consultative Conference [CPPCC] and the National People's Congress [NPC] on Saturday [4 March], group members said.

The petition urges the legislation of a system of registering victims of the Sino-Japanese war of 1937 to 1945. Some 600 intellectuals and about 10,000 victims of the Japanese aggression signed the petition, the members said.

The petition also seeks the establishment of a committee to demand Japanese compensation for the war, and it demands the Japanese Government to submit a letter of apology to China for the war.

The National People's Congress, China's parliament, will commence Sunday.

The Chinese Government has been sensitive about demanding war compensation from Japan for civilian casualties, as it is wary of damaging the positive relations existing between the two governments.

RENMIN RIBAO Greets Opening of NPC Session

HK0503084195 Beijing XINHUA Domestic Service in Chinese 1256 GMT 4 Mar 95

[RENMIN RIBAO 5 March Editorial: "Assume Overall Responsibility and Unite To Forge Ahead—Hailing the Opening of the Third Session of the Eighth National People's Congress"]

[FBIS Translated Text] 4 Mar (XINHUA)—The Third Session of the Eighth National People's Congress [NPC] opened today in Beijing.

The session, which has been convened at an historic moment when China has made marked progress in its reform and construction when hundreds of millions of people are marching toward the new century with full confidence, shoulders a heavy responsibility and is of far-reaching significance.

Under the leadership of the CPC Central Committee with Comrade Jiang Zemin as the core and guided by Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, people of all nationalities in China have correctly handled the relationship between reform, development, and stability; united as one to forge ahead; and waged a crucial battle of reform since the Second Session of the Eighth NPC. We have introduced a series of major reforms in finance, taxation, banking, foreign exchange, and prices, and we have scored significant progress, which marks a decisive step taken in China's economic structural reform. The reforms introduced by China last year, which were concentrated and dynamic, covered much ground. Thanks to the careful planning and guidance of the CPC Central Committee and State Council,

concerted efforts made by all localities and departments, and the active support and participation of the masses of people, the scheduled tasks were smoothly fulfilled, which maintained social stability and promoted sustained, rapid, and healthy economic growth. Marked progress was also registered in all fields of work. These outstanding achievements were hard won. Practice has proved that the overall situation of work and the guiding principle of "seizing the opportunity, deepening reform, opening up wider to the outside world, promoting development, and maintaining stability" are absolutely correct, which conforms to the interests of the people of all nationalities throughout the country and must be followed by the whole party and nation at present and for a period in the future.

Taking the building of socialist democracy and the legal system as their fundamental task over the past year, the NPC and local people's congresses at all levels have earnestly performed their functions authorized by the Constitution and the law and have made new headway in all fields of work. They have also done a great deal of fruitful work in strengthening legislation and stepping up efforts to build a legal system framework for the market economy, in improving supervisory work and inspecting law enforcement in a planned manner with the focus on key points, in publicizing the people's congress system and enhancing education on the legal system, in handling motions and proposals made by deputies and maintaining close ties with them, and in carrying out external work and increasing exchanges and friendship with all countries of the world. Practice has proved that the people's congress system is China's fundamental political system with a profound realistic foundation and long-lasting vitality. In addition to playing an extremely important role in the country's political life, it also plays a great role in boosting China's reform and construction.

The tasks for this year's reform and construction are very arduous. There are only five years left in order to achieve the magnificent target set by the party and state for the end of this century. Time is pressing and the situation is urging us to the task. Our target and tasks are clear and our policies and measures are definite. The key to achieving the set target on schedule is to quietly immerse ourselves in hard work and to struggle hard, unite and make advances, and firmly grasp implementation. We must concentrate our strength on tackling some difficult issues concerning the overall situation of our national economy and social development and do something worthwhile in fields such as effectively controlling inflation, speeding up agricultural development, successfully carrying out reforms in large and medium-sized state-owned enterprises, maintaining a good social order and security environment, carrying out the struggle against corruption, and building clean government. There is a great deal of work to do, and the tasks are very arduous. We must unify our thinking in accordance with the guiding ideology and policy put forth by the party

Central Committee, take the overall situation into consideration, strengthen cooperation, and work in a down-to-earth manner. We must uphold the ideological line of emancipating the mind and seeking truth from facts and do various work well with full enthusiasm and a scientific attitude. We must adopt an overall point of view, correctly handle the relationship between the whole and the parts, and be good at doing things in order of importance and urgency. We must take a pragmatic attitude and deal with concrete matters relating to work rather than indulging ourselves in empty talk. Problems should be resolved and things should be done one by one.

People's deputies from all nationalities and all parts of the country are gathering in Beijing to discuss state affairs and development. They shoulder a glorious and sacred mission. The current session will examine and discuss the government work report and other reports and will make arrangements for this year's work in various fields. People throughout the country are paying close attention to the current session, and the deputies have the great trust of the people on their shoulders. We are deeply convinced that the people's deputies will conscientiously exercise the powers entrusted by the people, air their views freely, pool the wisdom of the masses, and suggest ways and means for our country. The Third Session of the Eighth NPC will surely score great successes and become a session of democracy, truth-seeking, unity, stability, and encouragement.

We wish the session complete success!

National People's Congress Opens Annual Session

OW0503011595 Beijing XINHUA in English 0109
GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—The Third Session of the Eighth National People's Congress (NPC), China's top legislature, opened at the Great Hall of the People here this morning to hear a report on the work of the government by Premier Li Peng.

Close to 3,000 delegates from all over the country are attending the opening meeting presided over by Qiao Shi, Chairman of the NPC Standing Committee.

The session is scheduled to last 14 days, during which the NPC deputies will examine the work of the government and decide on important issues.

Further on Opening

OW0503040595 Beijing XINHUA in English 0352
GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—A total of 2,811 deputies to the National People's Congress (NPC), China's top legislature, gathered in the Great Hall of the People this morning to listen to a report on the work of the government delivered by Premier Li Peng.

Close to 2,000 members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), the top advisory body, attended as non-voting members today's meeting, chaired by Qiao Shi, executive chairman of the session.

The current Third Session of the Eighth NPC is considered of great significance to the establishment of a socialist market economy and to China's modernization drive.

Chinese Premier Li Peng said in his government work report that last year China scored great achievements in its modernization drive and made decisive advances in the economic restructuring, the national economy continued to grow rapidly and people's living standards further improved.

"China will handle well the relations between reform, development and stability this year," he said. "We will resolutely curb inflation, strengthen agriculture and deepen reforms with emphasis on State-owned enterprises, maintain rapid and sound development of the national economy and promote overall social progress."

The premier also admitted problems in China's economic life, such as excessive price rises, agriculture with a weak foundation and some State-owned enterprises lacking vitality.

He said that these problems have drawn close attention of the government, which is taking various effective measures to solve them.

The premier set this year's economic growth rate at eight to nine percent, saying that China's economy has a great potential for growth and that it is "possible to achieve a fairly rapid economic development" under the current favorable domestic and international conditions.

About 70 percent of his 17,000-character work report deals with economic development and other tasks this year, touching a wide range of issues with which the deputies and the general public are concerned.

The report has seven parts: A review of the government work last year; promoting sustained, rapid and sound development of the national economy; stepping up economic restructuring focusing on State-owned enterprises; developing science, technology, education, culture, public health and sports; creating a good social environment for the reform and development; promoting China's reunification; and diplomatic work.

Li's report won applause from the audience. When he said that President Jiang Zemin's recent eight-point proposal on the promotion of the peaceful reunification of China has won warm acclaim from Chinese people at home and abroad, the audience burst into warm applause.

Attending today's meeting were Jiang Zemin, general secretary of the Central Committee of the Communist Party of China (CPC), Li Ruihuan, chairman of the

National Committee of the CPPCC, Vice-Premier Zhu Rongji, Liu Huaqing, vice-chairman of the Central Military Commission, Hu Jintao, a Standing Committee member of the Political Bureau of the CPC Central Committee, Vice-President Rong Yiren, and other senior Chinese officials.

Present at today's meeting were also a visiting delegation of the National Assembly of the Kingdom of Cambodia led by its president Chea Sim and diplomatic envoys to China.

The current session, which will last 14 days, has drawn more than 1,500 journalists from China and other countries. The leading broadcasting and television stations in China broadcast the opening ceremony live this morning.

Li Peng's Government Work Report

*OW0503024995 Beijing Central Television Program
One Network in Mandarin 0107 GMT 5 Mar 95*

[Government work report by Chinese Premier Li Peng at the opening ceremony of the Third Session of the Eighth National People's Congress at Beijing's Great Hall of the People on 5 March—live]

[FBIS Translated Text] Fellow deputies: On behalf of the State Council, I now submit a report on the work of the government for your examination and approval. I would also like to invite all the members of the Chinese People's Political Consultative Conference [CPPCC] National Committee to present their views on the report.

First, a review of work in 1994 domestic affairs.

During the past year, in light of the principle of seizing the opportunity, deepening reform, opening wider to the outside world, promoting development, and maintaining stability, people throughout the country worked hard in unity and pressed forward with an exploratory spirit, thus achieving significant achievements in our socialist modernization. We made decisive steps in our economic restructuring. The national economy continued to grow rapidly. The people's living standards further improved. Our society was stable. New progress was made in all fields of work. Our great motherland was thriving, and our undertakings in all fields were flourishing more and more. We were making big strides along the socialist road of building socialism with Chinese characteristics! [applause]

Decisive steps were made in our economic system. In accordance with the requirements for building a socialist market economic system, we carried out major reforms in systems for finance, taxation, banking, foreign exchange, foreign trade, investment, pricing, and commodity circulation. Thanks to the joint efforts exerted by people throughout the country, our reforms achieved expected results. A new financial system centering around the revenue-sharing system was basically established. The turnover tax system with value-added taxes

as the mainstay began to function. Income taxes paid by domestic-funded enterprises and personal income taxes were initially consolidated. The tax system was simplified with a reduction in the number of tax brackets. Tax payments became more equitable. This strengthened the central bank's macroeconomic regulation and control over credits. A policy-lending bank was established. Commercial banks began to exercise management over asset-liability ratios. Exchange rates were smoothly consolidated. The exchange rates for the renminbi grew somewhat while remaining stable. The prices of certain major commodities were adjusted. These major reforms will have far-reaching effects on future reform and development.

The national economy continued to develop rapidly. The gross domestic product amounted to 4.38 trillion yuan, up 11.8 percent from the previous year if calculated in terms of comparable prices. Despite serious natural disasters such as floods and droughts, we still reaped comparatively good agricultural harvests and achieved a 3.5 percent increase in agricultural added value. The total grain output was 444.5 billion kg, showing a decrease of 12 billion kilograms from the previous year. Fairly large increases [jiao duo di zeng zhang] were scored in the outputs of cotton, oil-bearing crops, meat, poultry, eggs, aquatic products, and fruit. Village and town enterprises continued a rapid development.

The industrial added value of the country increased by 18 percent. Rates of increases to varying degrees were registered in the outputs of raw coal, crude oil, electric power, steel, automobiles, household electric appliances, and chemical fibers. Industrial economic efficiency has been enhanced somewhat. The rate of increase of the investment in fixed assets dropped from 58.6 percent in the previous year to 27.8 percent, and the trend of excessive increases was gradually curbed. The investment pattern improved somewhat [you suo gai shan]. The construction of key projects progressed quite well. The second stage of the second-phase of the Three Norths Shelterbelt Networks [an afforestation project covering northwest, north, and northeast China] was completed one year ahead of schedule. The construction of the Beijing-Jiulong [Kowloon] Railroad has been in full swing in all its sections. The construction of the Three Gorges Project on the Chang Jiang, which has attracted worldwide attention, formally started; so did the (Xiaolangdi) key water control project on the Huang He. The trunk canal in the project for diverting water from the Datong River to the Qin Basin in Gansu Province began diverting water. We put into operation some newly built large and medium-sized generator sets with a total capacity of some 15 million kilowatts last year. The total length of newly constructed and double-track railroads in the year exceeded 3,300 km. High-grade highways increased by 1,900 kilometers. The loading and unloading capacity of harbors increased by 26 million metric tons. The number of telephone exchanges increased by nearly 19 million lines.

Domestic markets flourished. Retail sales of commodities, after being adjusted for price factors, grew by 7.8 percent. Foreign trade continued to expand. The total volume of imports and exports for the entire year totaled \$236.7 billion, a 20.9-percent increase. The amount of exports was slightly larger than the amount of imports. The country's foreign exchange reserves totaled \$51.6 billion, a 140-percent increase. Sound momentum was maintained in direct foreign investment, with funds actually put to use totaling more than \$33 billion. The financial deficit was controlled below the budgetary target. Financial order gradually took a turn for the better, and the money supply was kept under control. Positive achievements were scored in macroeconomic regulation and control.

Scientific, technological, educational, and other social undertakings developed in an all-round manner. Scientific and technological reform continued to deepen. More than 26,000 important scientific and technological findings were achieved. Breakthroughs were made in experiments regarding research into bilinear hybrid rice, digitally-controlled switchboards, computer-integrated manufacturing systems, biological (?vaccines), medicines, and low-temperature and nuclear-controlled [words indistinct].

Various types of education at all levels continued to develop. Greater importance was attached to promoting universal nine-year compulsory education. Conditions for running schools were improved. Substantial progress was made in vocational and adult education. The pace of reforming higher education was accelerated, and the structure of such education was readjusted. Teachers' working conditions and salaries were improved to varying degrees, and the problem of transferring teachers from people-run schools to government-run schools was solved to varying degrees.

New achievements were scored in various undertakings, including literature, art, radio, cinema, television, press, publishing, social sciences, public health, sports, geological prospecting, environmental protection, family planning, poverty and disaster relief efforts, and work regarding the elderly and handicapped. Positive results were achieved in eliminating pornography and combating other criminal activities. Efforts to improve all facets of public order were intensified.

We strengthened the building of a clean government and the struggle against corruption. We made achievements during different periods in the endeavor to promote honesty and self-discipline among cadres, investigate and prosecute major cases, and correct bad practices found in government departments, trades, and professions.

People's living standards in both urban and rural areas further improved. The per-capita net income of the rural population amounted to 1,220 yuan, an increase of five percent over the previous year after allowing for price rises, while the average per-capita income that city

dwellers used for living expenses amounted to 3,179 yuan, up more than 8 percent after allowing for price rises. Bank savings deposits by urban people increased by more than 630 billion yuan. In 1994, new housing with a total floor space of 200 million square meters was completed in urban areas, while 580 million square meters of new housing were completed in rural areas. The system of the 5.5-day work week for workers and staff members was instituted throughout the country. This increased the amount of rest time and the time for leisure studies for the people, thus improving their cultural life.

There are still some problems and difficulties in our march forward. The outstanding problem is the existence of excessive price rises. In my government work report last year, I proposed that efforts be made to keep retail prices from rising more than 10 percent this year, but price rises went up as high as 21.7 percent, despite the fact that great efforts were made in this respect. Of this figure, price rises for foodstuffs increased about 13 percent. The masses' reaction to this situation was strong. For price rises of this magnitude, there were objective reasons as well as shortcomings in the work of governments at all levels.

First, many price-regulating projects and reform measures affecting prices were introduced last year, including the measures to considerably raise the prices of grain, cotton, crude oil, and other products, and to implement a unified exchange rate. The measures were necessary for rationalizing price relations and arousing the initiative of producers, especially the masses of farmers. The measures drove up the general level of prices a certain extent. This was a price we could hardly avoid paying in carrying out reform. The problem was that we failed to adequately assess the related effects of these measures.

Second, agricultural input was insufficient, and the area under cultivation decreased. Some localities slackened their efforts in grain production and the vegetable basket project. Quite severe natural disasters occurred last year. Some farm products were in short supply. With the improvement in living standards of people in urban and rural areas, as well as the increase of the migrating population in cities, the demand for farm products increased. Moreover, the increase of the prices for means of agricultural production and the cost of agricultural production led to a considerable increase in the prices of farm products.

Third, investment in fixed assets and consumption funds witnessed an over-rapid increase over the past few years in succession. More money was put into circulation. The state did not slam on the brakes or adopt comprehensive retrenchment measures so as to avoid big fluctuations in the economic field, but the difficulty in curbing inflation increased.

Fourth, management of the market and commodity prices was somewhat slackened. The legal system was not

perfect, the market was not standardized, there were too many intermediate links, circulation order was relatively confused, and the phenomena of arbitrary price hikes and service charges were widespread.

Practice proves that, under the condition of a socialist market economy, the prices of some important commodities which have a great bearing on the national economy and the people's livelihood must be regulated and controlled by the state.

In addition to the problem of commodity prices, the problems in agriculture and state-owned enterprises were also quite conspicuous. Since the start of reform and opening up, our country has achieved historical success in agriculture, but it is still far from being compatible with the requirements of fast-developing industry and the increasing needs of urban and rural residents. The agricultural foundation was relatively weak, and so was our ability to fight natural disasters. Some state-owned enterprises lacked vitality and were plagued by leftover debts and social burdens. With outdated equipment, backward technology, poor management, and slow structural adjustment, they had difficulty in production and operation.

In addition, quite serious distortions exist in the distribution of income. The means to reasonably regulate individual incomes are not sound. In some localities, public order was bad, and corruption was even quite serious. The practice of formalism and bureaucratism by some government personnel and their dereliction of duty caused damage in our work, with which the masses was not satisfied. The above-mentioned problems have drawn our close attention, and we are now adopting various positive measures to effectively solve them.

Following one year of effort, we basically accomplished the tasks set for 1994 by the Second Session of the Eighth National People's Congress. These were the results of the hard work and common struggle of the people in the nation under the leadership of the Communist Party of China. On behalf of the State Council, I would like to express my sincere thanks to the people of all nationalities across the country for their trust in, and support of, the government. [applause]

Fellow deputies, 1995 is an important year for us to continue to promote reform, opening up, and modernization construction. In this year's government work, we will adhere to Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and to the party's basic line; comprehensively implement the guidelines of the 14th National Party Congress and the Third and Fourth Plenary Sessions of the 14th CPC Central Committee; further handle well the relationship between reform, development, and stability; resolutely curb inflation; earnestly strengthen agriculture; deepen reform with the emphasis on state-owned enterprises; continue to maintain the national economy's rapid and healthy development; step up the building of spiritual

civilization and the comprehensive management of public security; and promote all-round social progress

Seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability are the scientific summing up of the historical experience of our country in reform, opening up, and modernization, reflecting the objective requirements for building socialism with Chinese characteristics; and these are the general and guiding principles to be followed for the work of the whole country, not only for the present, but also for a certain period to come.

Second, we should ensure a sustained, rapid, and healthy development of national economy. In the 1995 economic work, we should step up and improve macroeconomic regulation and control. We should pay attention to solving outstanding contradictions and problems in economic development and strive to accomplish the Eighth Five-Year Plan, in order to lay a good foundation for reform and development during the Ninth Five-Year Plan period. We should maintain an appropriate economic growth rate. After a comprehensive analysis of the conditions of various sectors, the target of macroeconomic regulation and control for this year's economic growth has been set between 8 to 9 percent.

The current international and domestic situations are favorable to us. China has the potential for economic growth, and it is possible for us to achieve relatively high economic growth. Because our economy has grown at an annual rate of more than 11 percent for three consecutive years, and quite serious [jiao wei yan zhong] inflation exists at present, it is appropriate to make this year's economic growth rate a little lower than last year's. This will contribute to creating a more relaxed macroeconomic environment and promote reform and development in an even better way. This is also conducive to shifting the focus of economic development to readjusting the structure, enhancing economic efficiency, and improving the quality of economic growth. To achieve this goal, we must continue to strengthen and improve macroeconomic regulation and control, do good comprehensive coordination work for economic operations, and solve new problems in economic development promptly.

In making fixed asset investments, we should do whatever we are capable of doing. We should strictly control the scale of capital construction; make greater efforts to adjust investment patterns, and increase the proportion of investments in basic industries and infrastructural facilities, such as the agricultural, transport, telecommunications, and energy industries, as well as in technological transformation.

This year, new progress will be made in key construction projects. This year, the Beijing-Jiulong railroad, which runs from the north to the south, will be completed and the Lanzhou-Xinjiang double-track railroad and the Baoji-Zhongwei railroad in the vast northwest region will be put into operation. The modern nationwide digital telecommunications network with Beijing as its

center and with optical fibers as its backbone will be basically completed. Several large chemical fertilizer projects will be put into operation and they will provide new support for agriculture this year.

We also will make an overall plan and proper arrangements for the convergence of projects between the Eighth Five-Year Plan and the Ninth Five-Year Plan. Because the scale of current construction is comparatively too large, and the volume of carry-over work is also comparatively large, newly-started projects must be strictly controlled this year. The focus of real estate investment should be placed on the construction of houses for the broad masses of the people, and the construction of high-class buildings must be strictly controlled. Urban planning and the scale of urban construction should also be brought under control.

In recent years, industrial production grew very rapidly, but the product mix was not rational enough to meet changes in market demand. This is an important reason that led to stockpiles and poor economic efficiency of enterprises. It is necessary to strengthen management and promote scientific and technological advancement to raise enterprise efficiency, through readjustment of the industrial structure and product mix. We must vigorously develop high-technology industries and use advanced technology to transform traditional industries.

General processing industries must focus on raising product grades and quality and increasing the production of readily marketable products. They must not continue to blindly pursue quantitative growth. We must put in efforts to do a good job in reducing losses and increasing profits and to adopt measures to resolve the problem of being in arrears among enterprises. Enterprises must gear production toward market demand. They must limit production, reduce stockpiles, or stop manufacturing products whose supply is greater than demand. It is necessary for key enterprises, through technological transformation, to lower their costs and consumption of raw materials in turning out major products and to enhance their market competitiveness.

It is necessary to resolutely control the margin of price rises. This is the primary task for this year's macroeconomic regulation and control as well as the key to proper handling of the relations between reform, development, and stability. The goal of macroeconomic regulation and control is to ensure a noticeable drop in the margin of price rises, as compared with last year, and strive to bring it to within about 15 percent. To achieve this goal, we must vigorously develop agricultural production, increase effective supply, and continue to control the money supply and credit scale. We must apply the financial principle of spending as little as possible and keeping expenditures within the limits of our income. The central budget deficit should not exceed that of the previous year, and financing at the local level should resolutely maintain a balance between revenues and expenditures. We must strengthen the management of extrabudgetary funds.

Third, it is necessary to control the scale of investment in fixed assets and curb the excessively fast growth of consumption funds. As a developing nation, we can only spend moderately, not excessively. We must uphold, over a long period of time, the principle of arduous struggle and nation building through thrift and oppose the practice of extravagance and waste. This year, we must continue to adopt practical measures to improve the living standards of urban and rural residents. The growth of consumption funds, however, should be lower than that of the economy, and the growth of workers' incomes should be lower than that of labor productivity gains. We must show concern for the livelihood of people in poverty-stricken areas, low-income earners and, retirees by earnestly helping them to solve difficulties.

Fourth, it is necessary to deepen the reform of the circulation system and step up the establishment of a market network. We should reduce links and charges in the circulation of commodities. State-owned and cooperative circulation enterprises should, through reform, actively bring into play their role as the main channels for market regulation and price curbing. We must gradually establish and perfect central and local reserve systems for major commodities. It is necessary to actively develop the business agency system, chain operations, and other multidimensional operations to suit market demand at different levels. We should strengthen control, supervision, and inspection of the prices of goods, especially those of necessities for people in their daily lives. We should rectify circulation order, oppose unfair competition, and take effective measures to crack down on the manufacture and sale of counterfeit and poor-quality commodities for excessive profits.

The steps we have made in recent years in readjusting prices have been quite large. The task this year is to absorb the effects caused by the price readjustments over last several years. Normally we will introduce no new measures for price readjustments and will emphasize price reform regarding establishing or improving the systems of market management and price regulation and control. As long as governments at all levels exercise stronger leadership, clearly define their responsibilities, attach importance to stabilizing market prices, earnestly implement all the policies drawn up by the party Central Committee and the State Council, and work hard with one heart, we certainly can attain the target set for controlling the extent of price rises this year.

Promoting all-round rural economic development, making great efforts to develop agriculture, and ensuring steady increases in agricultural products are the basis for controlling the extent of price rises and achieving healthy national economic development. Governments at all levels must earnestly strengthen agriculture and do everything possible to seize a bumper agricultural harvest this year. This year, great importance must be attached to rice production, especially the production of early rice in southern China. Great efforts must be made so that this year's grain output will be at least 455 billion

kg. The cotton acreage and cotton output should also increase by a comparatively large margin. The output of oil-bearing and sugar crops, meat, and aquatic products should increase substantially. We should continue to increase peasants' incomes through developing the rural economy.

To ensure steady growth of agricultural output, we must firmly uphold all basic policies for the rural areas, and continue to deepen rural reforms. First of all, we must increase our agricultural investments. The Central Government's agricultural investments this year will increase by a comparatively large margin [jiao da fu du di zeng jia]. Local governments must also increase their investments in agriculture. They must also actively guide the rural areas' collective economies and peasants to increase their investments in terms of funds and labor. Second, we must protect and ensure the rational use of cultivated land and stabilize the size of the grain- and cotton-producing areas. We must firmly stop the phenomena of abandoning or misusing cultivated land. All localities must establish rules for protecting the basic farmland, and make sure these rules are followed by all localities and rural households. In urban and rural construction, we should make use of non-cultivated land as much as possible. Good cultivated land may not be used for rural diversified undertakings and housing construction.

Third, it is necessary to do a good job in the comprehensive development of agriculture according to local conditions, actively develop wasteland, improve medium- and low-yielding farmland, and develop appropriate-scale agricultural operations in regions with favorable conditions. Efforts should be made to raise peasants' enthusiasm for grain growing.

Fourth, it is necessary to step up agricultural infrastructural construction including irrigation works, to attach importance to the forecast and prevention of major natural disasters, and to increase our ability to resist natural disasters in agriculture.

Fifth, it is necessary to further reform the system for the distribution of agricultural products, perfect procurement and marketing policy, establish and perfect reserve and risk-fund systems for grain and other major agricultural products, and bring about a regional and structural balance in grain supply and marketing. The mayor's responsibility system for the vegetable basket and the governor's responsibility system for the rice bag should be upheld. Responsibility for the rice bag means responsibility for grain supply in a province. This calls for ensuring the area under cultivation, raising per-unit yield, increasing equipment, regulating supply and demand and stabilizing prices.

Sixth, it is necessary to promote integration of agriculture, science, and education, the popularization of fine strains, water conservation, the application of fertilizers in a scientific way, the use of more farm manure, and the

promotion of practical agricultural technology in comprehensive prevention against plant diseases and insect pests. Selective tackling of important technologies for agricultural development should be stepped up. Vigorous efforts should be made to train agrotechnicians and stabilize the contingent of personnel engaged in agricultural scientific research and in technological popularization.

Seventh, it is necessary to actively support the production of chemical fertilizers, pesticides, and farm machinery, rectify order in the distribution of means of agricultural production, reduce the number of intermediaries, lower distribution costs, and curb price rises.

Eighth, it is necessary to continue developing village and town enterprises, especially those in the central and western regions, absorb rural surplus labor through many channels, and effectively organize a rational and orderly flow of surplus labor.

Ninth, it is necessary to conscientiously implement the plan of wiping out poverty among 80 million poverty-stricken people by the year of 2000; arrange more funds; expand the scale of providing jobs instead of relief funds, particularly support impoverished regions to build highways and carry out farmland capital construction; and solve the problem of drinking water for the people and livestock.

Tenth, it is necessary to continuously enhance the building of a socialized service system in rural areas and gradually establish an agricultural insurance system.

Efforts should be made to continuously open wider to the outside world; consolidate and develop the pattern of all-directional opening-up; place the work emphasis on raising efficiency; strive to maintain a steady growth in foreign trade; improve the mix of exports; raise export quality and grades; greatly promote export of electromechanical products, including machinery and electronic products, and complete sets of equipment; encourage the integration of industry, technology, and trade; raise service quality; and expand overseas markets.

We should rationally readjust the mix of imports. The import of general commodities, especially high-grade consumer goods, should be regulated in line with international practices. We should formulate well-defined industrial policies to guide the orientation for the investment of foreign capital. We should further integrate the work of attracting foreign capital with the readjustment of the industrial structure and the product mix, and with raising the technological and managerial levels, so as to raise utilization efficiency. Under the conditions of a constantly improving investment environment, it is necessary to adhere to the principle of competition and of selecting only the best foreign investment, and to create conditions for the step-by-step practice of granting foreign-funded enterprises national treatment in keeping with international practices, and with the requirements for building a socialist market economic system. In

joint-venture operation, it is necessary to do a good job in evaluating state-owned assets and in appraising imported technologies and equipment, and in protecting Chinese and foreign investors and the legitimate rights and interests of enterprise workers and staff members in accordance with the law.

We should continue to run well special economic zones and the New Pudong District in Shanghai, and give play to the positive roles of open cities and open regions. These regions must create new superiority in developing an export-oriented economy by relying on advanced technologies, intensive management, and on upgrading of industrial structures. Central and western regions also need to give play to their own advantages and promote social and economic development. The state will do its utmost to give necessary support in industrial policy and productive force distribution, and actively create conditions to gradually narrow the gaps between these regions and developed regions.

China will, as always, actively develop its multilateral and bilateral economic and trade ties with all countries in the world on the basis of equality and mutual benefit. Moreover, China should become [ying dang cheng wei] a founding member of the new World Trade Organization.

We should resolutely implement basic national policies on family planning and environmental protection. Our country's population now totals 1.2 billion. Controlling excessive population growth and improving the population's quality are a long-term, arduous task. We should conscientiously implement the outline of family planning work, focusing our work on rural areas and the migrant population. We should guide peasants toward changing their notions about child-bearing. We should combine family planning with the effort to shake off poverty and achieve prosperity, develop the economy, and build civilized, happy families. We should continue to implement the principle of simultaneous planning, implementation, and development regarding economic and environmental construction. We should strictly enforce laws and regulations on environmental protection; tighten supervision and management; resolutely control pollution, especially water pollution and air pollution that do serious harm; vigorously launch tree-planting and forestation activities; step up water and soil conservation efforts; and improve the ecological environment.

Drawing up the Ninth Five-Year Plan is an important task this year. The Ninth Five-Year Plan is an important period for our country's efforts to advance the program of reform, opening up, and modernization. In drawing up the Ninth Five-Year Plan under conditions of developing the socialist market economy, we should reform planning methods, giving prominence to plan's strategic and guiding aspects. We should give overall consideration to economic growth, social development, and the deepening of reform, focusing on solving some problems that have a bearing on the overall situation.

We should deepen economic restructuring with emphasis on state-owned enterprises. In this year's economic restructuring, we should put the emphasis on promoting the reform of state-owned enterprises in conjunction with reform of the social security system; consolidate and improve measures for reforming the macroeconomic control system; further change the government's functions; cultivate a market system; and continue to advance toward establishing a socialist market economic system.

We should vigorously push on with reform of state-owned enterprises. State-owned enterprises, particularly large and medium-sized state enterprises, are the main pillar of our national economy. Under the current pattern in which various types of economic sectors are developing simultaneously, state-owned enterprises are the main suppliers of energy, transport services, important raw and semifinished materials, technology, and equipment, and are also the main sources of state revenues. Occupying a decisive position in the national economy, state-owned enterprises have made important contributions to the nation's economic development, reform and opening to the outside world.

In the course of reform and opening to the outside world, a number of vigorous and highly efficient state-owned enterprises which enjoy a good reputation in domestic and international markets have emerged in various localities and trades. This shows that state-owned enterprises can be run well. Due to a number of reasons, however, at present, some enterprises are still unable to meet the requirements of developing a socialist market economy. Reform of state-owned enterprises is an arduous and complex task. We must make bold explorations, conduct experiments boldly, adopt effective measures, and work hard for several years to score marked achievements in this respect.

In reform of state-owned enterprises, we should focus on invigorating the state-owned sector of the economy as a whole so as to give even better play to the leading role of this sector.

We should further change the operating mechanisms of enterprises and implement the regulations governing the supervision of state-owned enterprises' property. We should continue to change the functions of the government, separate the functions and responsibility of governments from those of enterprises, and create a good external environment for enterprises to make their own operating decisions, and assume responsibility for their own profits and losses. We should conduct an all-round appraisal of the fixed assets and the circulating funds, tighten control over state-owned assets, appoint members of the board of supervisors to some enterprises, and institute a system of responsibility for managing state-owned assets, and a system for evaluating the results of preserving and increasing their value so as to prevent the loss of state-owned assets. We should gradually readjust the ratio between capital and debts and solve in a

selective way the problem of excessive debts left over from the past in some enterprises. The State Council and the governments of various provinces should separately select some enterprises to conduct experiments on establishing a modern enterprise system.

The State Council will select a few trades to experiment with setting up state holdings companies; regulate the existing joint-stock companies according to law; and restructure, reorganize, and transform enterprises at the same time. We should promote reform in all enterprises through earnestly summing up and actively promoting our experiences of success gained from pilot projects. For those enterprises which have been operating in the red for a long time, and which are not likely to avert their losses or pay back their overdue debts, some should be allowed to go bankrupt according to the law, and some should be ordered to suspend their operations for consolidation first, and reorganization later. For those enterprises whose outdated products cannot meet market needs, they should be ordered to switch production, or be merged or transferred. We should intensify efforts in restructuring small state-owned enterprises. They may become associated businesses, carry out the cooperative shares system, or reorganize and restructure themselves through leasing, contracting, or auctioning themselves out. While proceeding with industrial restructuring, we should develop enterprise groups and continue to properly operate the existing large enterprise groups. (?Collectively-funded) enterprises should break their administrative affiliations and form themselves into enterprise groups engaging primarily in commodity trade. Operations between different trades and regions should be encouraged. To be more competitive on the market, we should speed up readjusting our industrial structures and organization of enterprises. We should gradually reduce enterprises' social burdens. Generally, we may separate enterprises from their ancillary organs and service units so that they may keep separate accounting, reduce subsidies, and gradually become society-oriented enterprises responsible for their own profits and losses. Whenever possible, units operated by enterprises to provide public services may be turned over to the local governments to operate. For those surplus personnel of affluent enterprises, the government, the enterprises themselves, and their workers and staff members should all take the initiative. The problem may be solved by a combination of measures: They may be placed by the enterprises, or they may seek jobs themselves with assistance from society.

While continuing to improve enterprises' external environment, state-owned enterprises must strive to improve their internal management. Many well-managed enterprises have good operating mechanisms and a good leading body, place importance on scientific management, rely on upgrading technology, and produce products that meet market demand. This experience has universal significance and therefore should be vigorously summed up and promoted. All enterprises should face the market, be more competitive, should cherish their

credibility and reputations, create a good enterprise image, earnestly implement enterprises' rules and regulations, strengthen enterprises' groundwork, place importance on conducting education among staff members and workers, strictly manage their factories, improve their financial and cost management, enforce strict account-settling discipline, accelerate circulation of funds, and improve the efficiency of fund utilization.

We will continue to reform the social security system, which mainly consists of endowment and unemployment insurance. The overall program for this reform and several sub-reform programs have been decided, and these programs will be actively carried out this year using cities as units. Basic endowment insurance in cities and towns is to be jointly borne by employers and employees, and public funds and individual accounts are to be combined. Localities that do have difficulty implementing this at present, depending on their actual situations, may adopt transitional methods to gradually reach this objective.

With cities as units, the unemployment insurance funds should be managed as a whole. We should expand the coverage of social insurance in cities and towns. Staff members and workers of state-owned, collective, private, and joint stock enterprises, and those of the Chinese side of foreign-invested enterprises should all be insured in order to make insurance management and service more socialized. We must properly manage and utilize the social insurance funds that have been raised, and enable them to play a positive role in promoting reform and maintaining stability.

We should consolidate and improve the already-promulgated measures for reforming the macro-control system. In the reform of the banking system, a further step should be taken to improve the central bank's ability in the regulation and control of money supply, increase the use of indirect regulation and control means, accelerate the reform of state-owned commercial banks, actively promote the management of the proportions of assets and liabilities and the management of risks, enhance the quality of credit assets, improve the operational mechanisms of policy-lending banks, organize and establish urban cooperative banks stage by stage and group by group, standardize the business scope of banking institutions of various categories in accordance with the principle of separate lines, and strengthen supervision over them. Banks are not allowed to engage in trust investment or securities business. We should consolidate the achievements in the reform of the foreign exchange system and further improve the system of foreign exchange settlement and sale.

In the reform of the finance and taxation system, it is necessary to consolidate and improve the tax assignment system and gradually abolish some non-standardized practices. We should conscientiously study the scope of division of power between the central and local governments, improve the collection and management of value-added tax and consumption tax, improve the system of

reimbursement of indirect tax to the exporters, and combat tax evasion. We should continue to screen and gradually abolish various unreasonable tax reduction and exemption policies. We should conscientiously carry out the individual income tax law, and establish as soon as possible a system for individuals to declare their taxable incomes. We should pay great attention to the collection of taxes from high-income individuals.

In the reform of the planning system, it is necessary to further transform planning management functions, improve the methods of formulating plans, and strengthen the work of economic information and economic monitoring and forecasting. We should achieve a good, overall coordination between macroeconomic policy and economic leverage.

In the reform of the investment system, we should clearly define the scope of the state investment and loans, and implement the responsibility system of the investment sources as a legal person so they will be held responsible for the whole process of raising capital, construction, production, management, repayment of principal and interest, and preservation and increase of the value of assets. We should gradually establish a capital system for investment projects.

During the course of deepening reform, we should pay attention to key points in each stage of work so as to make a breakthrough. Meanwhile, we should also pay attention to the reforms of other aspects so as to achieve the goal of promoting reforms as a package. In this year, we should continue to promote the reform of government organs with the key being transforming their functions and basically accomplishing the task of reforming local government organs at all levels. We should also conscientiously organize and carry out the reforms of other aspects, including the reforms of the commodity circulation system, foreign trade system, supply and marketing cooperatives system, land-use system, and housing system.

The 14th National Party Congress and the Third Plenary Session of the 14th CPC Central Committee set the goal of China's economic restructuring and mapped out a blueprint for establishing a socialist market economic structure. We should make persistent efforts and strive to initially establish a socialist market economic structure by the end of this century. Then, with 20 to 30 years of effort, we will create a more mature and finalized system for all fields. Our achievements in reform have attracted worldwide attention, but we still face many problems and difficulties in deepening reform. We should have a sufficient understanding about the arduousness and complexity of reform. Governments at all levels should conscientiously strengthen their leadership over reform, do good, solid work, and continuously push reform forward.

Fourth, we should develop scientific, technological, educational, cultural, public health, and sports undertakings. The development of scientific, technological, educational, cultural, public health, and sports

undertakings, the enhancement of ideological and moral standards, and the building of socialist spiritual civilization play an extremely important role in developing a socialist market economy and in promoting the comprehensive progress of society. We must continue to do a serious and good job of reform and development in these fields.

We must promote the transformation of scientific and technological achievements into actual productive forces and bring into full play the role of science and technology in social and economic development. We must uphold the guiding ideology that science and technology constitute a primary productive force and firmly implement the principle that economic construction must rely on science and technology, and scientific and technological work must orient itself toward economic construction.

A top priority task, at the moment, is to strive to create conditions for accelerating the transformation of scientific and technological achievements into actual productive forces. We must protect intellectual property rights and cultivate technology markets. We must vigorously develop advanced applied technologies and successfully operate high and new technology industrial development zones. We must strengthen basic research, attach importance to basic theories and technologies closely related to social and economic development, encourage invention and creation, and extensively launch mass technological innovation and rationalization proposal activities. We must deepen the reform of science and technology management, and accelerate the restructuring of scientific and technological departments and the rational distribution of qualified personnel in line with the policy of holding fast to one end and leaving the whole field open. We must strengthen coordination and association between scientific research institutes, institutions of higher learning, and enterprises; resolve the problem of duplication of scientific research institutes and the dispersion of scientific and technological forces; and strive to improve efficiency. We must step up the cultivation of a contingent of young and middle-aged technological backbones to prepare reserves for long-term development. A national science and technology congress will be held this year to make overall arrangements for scientific and technological work.

We must deepen educational reform and accelerate educational development. We must earnestly implement the Outline for China's Educational Reform and Development, and further ensure a strategic place for development of education on a priority basis. We must earnestly promote elementary education, particularly nine-year compulsory education, and the work of eliminating illiteracy among the young, and people in their prime of life. In compulsory education, we must rely mainly on government budgets while raising funds through various channels. We must continue to restructure education to basically arrive at a reasonable ratio between primary, secondary, higher regular, and vocational education. We must vigorously develop vocational education and carry out in a planned way the

division of education after junior and senior high school. Where the nine-year compulsory education cannot be made universal for the moment, essential vocational education must be carried out. We must strengthen adult education and vocational training, and implement a system of credentials for professional qualifications. A system of running and managing higher education at two levels—at the central and provincial government levels—shall be implemented.

Through readjustment, reform, association, and joint development, we must gradually effect the transition to a system of running and managing higher education mainly at the provincial level. We must continue to successfully run a number of key universities and disciplines. We must encourage the general public to build and run schools so that the enthusiasm of all sectors can be aroused. Governments at all levels, from the central to the local, must continue to increase investment in education. All types of schools must make full use of their existing conditions to strive to raise the qualities of teaching and the efficiency in operating schools, and to rationally allocate and effectively use educational resources. We must actively but prudently push for the reform of the systems of enrollment, collection of fees, and employment of graduates of all types of vocational schools at the higher and secondary levels. We must establish and perfect a system of scholarships and educational loans, and provide appropriate assistance to students from homes having serious economic difficulties. Where conditions permit, schools should organize work-study programs. All types of schools must earnestly implement the policy of all-round development—morally, intellectually, and physically; and they must strengthen and improve moral education. Families and society must work closely to create an environment conducive to the healthy growth of young people.

We should reform the examination method and system, change the phenomenon that students pursue studies for the sole purpose of coping with examinations, and conscientiously reduce the schoolwork of primary and middle-school pupils. We should foster a good atmosphere of respecting teachers and prizes education in all segments of society; earnestly promote teachers' education at all levels; further augment the ranks of young and middle-aged teachers; improve teachers' working and living conditions; and continue to solve the problem of transferring teachers from people-run schools to government-run schools.

We should adhere to the correct orientation and promote the flourishing of cultural undertakings. We should adhere to the orientation of serving the people and socialism; uphold the principle of letting a hundred flowers blossom and a hundred schools of thought contend; promote the main theme while advocating diversity; and promote the healthy development of literature, art, radio, cinema, television, press, publishing, philosophy, and social sciences. We should encourage literary and art workers to plunge into the thick of life to produce

more excellent works that reflect the program of reform, opening up, and socialist modernization, and that are conducive to the healthy growth of children and youth, and are full of artistic charm. We should enrich people's cultural life; satisfy demand at various levels; and strengthen community and enterprise cultural facilities, especially cultural facilities in rural areas. We should carry out rich and colorful mass cultural activities; deepen reform of the cultural management system; improve culture-related economic policies; increase the vitality of art troupes and other cultural enterprises and institutions; cultivate high-brow art and the cream of national culture; and increase input in cultural establishments such as libraries, museums, cultural centers, and scientific and technological centers.

We should popularize scientific and cultural knowledge, and oppose ignorant superstitious activities. We should do a good job of carrying out the project aimed at eliminating cultural deficiency and of building a 10,000-li cultural corridor in border areas. We should adhere to the correct orientation in radio, cinema, and television, and strive to improve programming quality and increase the number of areas that receive programming.

In publishing, we should uphold the principles of controlling the total number of publications, readjusting the structure, improving quality, and increasing benefits, and publish more good books and refrain from publishing harmful books. In cultural undertakings, we should persist in simultaneously promoting the flourishing of such undertakings and exercising management, unremittingly wage an antipornography drive, and combat illegal cultural trading activities such as piracy and smuggling. We should attach importance to the protection of cultural relics, and combat various criminal activities involving cultural relics.

Developing public health and sports to improve people's health. We should follow the principle of putting prevention first and intensify efforts to prevent and treat common, contagious, endemic, and occupational diseases. We should show concern and support for maternity and child care, as well as planned immunization for children. We should strive to eradicate polio and tetanus in newborn babies. We should basically achieve salt iodization; actively rejuvenate traditional Chinese medicine; carry out primary health care plans in rural areas; implement various rural health insurance systems; and experiment with reform of the health insurance system for workers and staff members in cities and towns. Medical and health care institutions should deepen reform of their internal management systems; improve medical ethics and the quality of medical care; and tighten supervision and management of medicines, chemical reagents, and public health in accordance with the law.

In physical culture, we should uphold the principles of promoting the coordinated development of mass and competitive sports, focusing on developing mass sports,

implementing all-people physical fitness plans, and generally improving people's health. We should exercise strict management of athletic teams; foster good athletic ethics and competitive practices; and improve competitive sports standards.

Fellow deputies, during the course of reform, opening up, and modernization in our country, we must steadfastly uphold the principle of carrying out two tasks simultaneously and paying equal attention to both, and strengthen the building of the spiritual civilization. This is an important part of the cause of building socialism with Chinese characteristics; an objective requirement for promoting economic development and overall social progress; and a common aspiration of people across the country. Governments at all levels should incorporate the building of the spiritual civilization in their overall social and economic development plans, and allow it to permeate material civilization. These two types of civilization should develop in concert and promote each other. We should never sacrifice spiritual civilization for temporary economic development. We must unremittingly educate cadres and people on Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics.

We should conscientiously carry out the outline on conducting education in patriotism; and strengthen education in patriotism, collectivism, and socialism. In the course of reform, opening up, and the socialist modernization drive, many heroes and models have emerged in various fields and localities: Comrade (Zhang Mingqi), a good cadre who sacrificed his life while on duty fighting flood on the frontline; Comrade (Bao Qifan), an engineer who has become talented through self-study and is credited for many inventions; Comrade Han Suyun, a renowned good army soldier's wife; Comrade (Li Shuangliang), a veteran workers who is praised as the Foolish Old Man [who removed mountains] of the contemporary time; Comrade (Zhao Xuesang), a good doctor of the people; Comrade (Wang Shiming), an outstanding teacher who has settled down in a mountainous area and dedicated himself to the cause of education; Comrade (Teng Baolin), a people's policeman who died heroically while fulfilling his duty to pursue and capture an important criminal; and Comrade (Zeng Jiao), a model in cherishing the army and learning military affairs in the PLA. They are all role models we should emulate.

In order to commend the advanced and encourage healthy trends, we will hold a national meeting to commend advanced units and heroes and models this year. We should inherit and carry forward the traditional virtues of the Chinese nation and truly strengthen education in public morality and professional ethics. We should oppose money worship, ultra-individualism, and decadent lifestyle; advocate a lifestyle compatible with spiritual civilization; and cultivate a healthy general mood of society.

Fifth, we should create a favorable social environment for reform and development. A stable social environment and healthy general mood of society are indispensable conditions for deepening reform and developing the economy. Continued efforts must be made to promote work in this field. In attaching great importance to the construction of socialist democracy and the legal system, and in continuing to open up and to clear various channels to ensure the democratic rights of the masses of people, governments at all levels should earnestly accept the supervision of people's congresses and their standing committees at their corresponding levels, actively support the work of the people's political consultative conferences, take the initiative to step up contacts with the democratic parties and personalities without party affiliation, value their views and suggestions on government work, and support the trade unions, the Communist Youth League, the women's federations, and other mass organizations in their operations.

In carrying out work, governments at all levels should closely rely on the working class and the broad masses of people to do a good job in investigation and study, and should listen to views of personalities from various sectors of society with an open mind, in order to facilitate the making of policy decisions in a democratic and scientific manner. We should care about the hardships of the masses, pay keen attention to letters and visits from the people, properly handle and promptly resolve contradictions among the people, and promote social stability. We should intensify the building of democracy at the grass-roots level, perfect the system of democratic management by enterprise workers and staff members, bring into play the role of residents' committees in cities and villagers' committees in the countryside, and improve the system for villagers to discuss issues, the system for making village affairs public, and village regulations and the rules of conduct for villagers, thereby arousing the enthusiasm of the broad masses of people.

We need a sound legal system to guarantee the development of a socialist market economy. This year, the State Council will submit a number of important draft laws to the Third Session of the Eighth NPC for deliberation. Where conditions are not ripe, administrative regulations may be formulated and promulgated for implementation first, and then draft laws will be submitted after experiences have been gained. Governments at all levels must exercise their administrative duties according to the law and improve their ability to enforce laws. They must rectify such phenomena as failure to abide by the law, lax law-enforcement, and letting lawbreakers go free. They should strengthen the building of the law-enforcement personnel contingent and tighten supervision over law-enforcement work, establish sound institutions providing legal services, conduct deep-going education on the legal system, and enhance the whole nation's awareness of laws.

We should continue to pay close attention to taking comprehensive measures for improving all facets of

public order. This year, we should adopt more forceful measures to intensify the crackdown on crime, so as to improve public order. First, we shall focus our efforts on improving public order in both urban and rural areas, concentrating on solving key areas' problems which have aroused strong reactions from the masses. Second, we shall deepen the campaign to crack down on such serious criminal activities as violent crimes, drug-connected crimes, train and highway robberies, abduction and sale of women and children, and theft and destruction of facilities for production and construction. We should make determined efforts to uproot criminal gangs, eliminate the influence of hooligans, and exterminate such social vices as prostitution and visiting prostitutes.

Third, we should punish, according to law, such economic crimes as embezzlement, graft, offering and accepting bribes, tax evasion, cheating on taxes, manufacturing of counterfeit money, money swindling, smuggling, and selling smuggled goods, in order to safeguard economic order in society. Fourth, we should strictly exercise the management of objectives for improving all facets of public order and implement the system of leaders being responsible for attaining given objectives in this regard. This means a public official must ensure public security in his area during his tenure. We should carry forward China's fine traditions in enforcing laws, combine specialized departments with mass organizations authorized to maintain public order, strengthen the building of police stations, and improve the police-patrol system in urban areas. We should improve the system of registering residences in both urban and rural areas, and tighten controls over the floating population. Public security personnel should observe strict discipline in real earnest, raise their political and professional quality, and faithfully perform their sacred functions and responsibilities. A fairly large number of serious fires, traffic accidents, and serious production accidents occurred in China last year, causing colossal losses of people's lives and property. This is a profound lesson. The relevant functioning departments of governments at all levels and law-enforcement supervisors should urge enterprises, institutions, and all other units to carry out safety measures in real earnest, and to strictly enforce administrative rules and regulations in order to prevent the occurrence of similar accidents.

We should build a hard-working and honest government in a deep-going and sustained manner. Being impartial and honest is the code of conduct for each and every public servant, and it is also a basic demand set by the people for government functionaries. We must understand the importance of punishing corrupt personnel and consider this a matter having a bearing on the state's survival. Continual efforts should be made to ensure the honesty and self-discipline of the cadres at and above the county and departmental [chu] level. This year, efforts must also be intensified to ensure the honesty and self-discipline of county section-level [xian ke ji] cadres and leading cadres of townships and towns. We should

also enforce the rules governing honesty and self-discipline among the leading cadres of state-owned enterprises, and tighten supervision and control in this regard. We should continue to give priority to investigating and handling cases involving the leading cadres at and above the county and departmental level, as well as other major cases. These cases must be handled impartially according to the law. Continuous, nationwide efforts must be made to stop irregularities in various trades. Firm measures must be taken to stop the irregularities of setting up unwarranted checkpoints on highways to collect unwarranted fees and impose unwarranted fines; the irregularities of collecting unwarranted fees from middle and primary school students; and the irregularities of collecting unwarranted fees and arbitrarily apportioned contributions from peasants. Intensifying ideological and political construction is the basic measure for fighting corruption and guarding against degeneration. Our power is given by the people, and it can only be used for the people's interests. Under no circumstances should it be used for seeking personal interests or the interests of a small group of people. As example is more important than precept, leading cadres at all levels should take the lead in being honest and exercising self-discipline, and they must earnestly take up overall responsibilities in building honest governments and combating corruption. Leading cadres must change their work styles, overcome bureaucracy and formalism, work with greater efficiency, heighten their sense of discipline, correct the phenomenon of disregarding orders and prohibitions, and make sure that government orders are followed.

Recently, deception and boastfulness in some localities and units have been quite serious, causing great harm; and these phenomena must be firmly stopped. For any deception caused by higher authorities' unrealistic and excessive demands, the higher authorities themselves must hold themselves responsible and take the initiative to correct the problem; and if the deception is the problem of the lower levels, the higher authorities must take a clear-cut stand and supervise and urge the lower levels to correct it. If the case of deception is serious, the responsibilities of those involved must be investigated according to the law. Statistical work must be improved. The authenticity and solemnity [yan su xing] of statistical figures must be safeguarded.

The modernization of national defense must be intensified. Governments at all levels should actively support and cooperate with the People's Liberation Army in working under the guidance of Mao Zedong Military Thought and Deng Xiaoping's thinking for army building during the new period to implement the strategic principle for active defense. The PLA must fully meet the requirements of being qualified politically and competent militarily, having a fine style of work, maintaining strict discipline, and being assured of adequate logistical support. It must carry forward its fine traditions, intensify its ideological and political work, pay attention to combat readiness training and logistics

support, attach importance to improving quality, and take the road of crack troops with Chinese characteristics. It must continue to promote its own revolutionization, modernization, and regularization; and constantly improve its defensive combat capabilities. We should carry out widespread and deep-going activities of supporting the government and cherishing the people, the activities of supporting the army and giving preferential treatment to families of armymen and revolutionary martyrs, and the joint armymen-people effort to build spiritual civilization so as to consolidate military-government and army-people unity. Governments at all levels and all citizens should heighten their sense of national defense, be concerned with national defense, support military construction, protect military facilities, safeguard servicemen's legitimate rights and interests, build stronger border and coastal defenses, and safeguard the nation's territorial and sovereign integrity and our rights and interests relating to our territorial waters. We must earnestly do a good job in handling our militia and reservist affairs so as to build a powerful reserve force for national defense. The people's armed police force and public security departments should build themselves up, and play an even better role in safeguarding national security and social stability.

Fellow deputies, China is a united, multinational country. The unification of the state and the unity of the nation are the fundamental guarantee for the success of our modernization. Economic growth, improvement of the people's livelihood, social stability, and overall development of all undertakings in ethnic minority regions have contributed significantly to nationwide reform, development, and stability.

Last year, we convened the second national conference on commending those outstanding individuals in promoting unity and progress of nationalities as well as the third forum on work in Tibet. This year we will continue to implement the guidelines of these meetings in an effort to further improve work related to nationalities.

We should energetically train ethnic minority cadres and talented people specializing in various fields, perfect and implement the state's preferential policies toward minority nationalities and the regions inhabited by ethnic minorities, increase investment there, and encourage the developed regions to provide them with appropriate assistance, thereby accelerating economic development and gradually realizing common prosperity in such regions.

We should conscientiously implement the law on regional national autonomy; guarantee the autonomous regions' right of autonomy and equality among nationalities; develop the new socialist relations of equality, unity, and mutual assistance among nationalities; unwaveringly safeguard the motherland's unification; and oppose any statement and action aimed at splitting the motherland. We should implement the policy toward religion in a comprehensive manner, strengthen the

management of venues of religious activities according to the law, protect lawful religious activities and patriotic religious organizations' legitimate rights and interests, and prohibit the use of religion to carry out sabotage of public order. The fundamental interests of the people throughout the country lie in consolidating unity among nationalities, safeguarding the motherland's unification, and promoting common prosperity. We believe that through the joint efforts of the people of all nationalities we will certainly be able to open up a more beautiful future of the regions inhabited by ethnic minorities.

Sixth. Actively promote the great undertaking of the motherland's peaceful reunification.

Fellow deputies! The realization of the motherland's reunification is the trend of the times and the desire of the people. There are only 849 days left from today until 1 July 1997, when China will resume the exercise of sovereignty over Hong Kong. We will adhere to the principles already laid down and achieve Hong Kong's smooth and steady transition by relying on the people of the whole country, including the compatriots in Hong Kong. [applause] In the past year, the Preliminary Working Committee of the Preparatory Committee of the Hong Kong Special Administrative Region [SAR] has done a tremendous job. The preparations for the establishment of the Hong Kong SAR are in full swing and are proceeding well. We demand that the British side conscientiously carry out the Sino-British Joint Declaration and cooperate with the Chinese side to create the necessary conditions for a smooth and steady transition and a smooth transfer of government in Hong Kong, and for the maintenance of Hong Kong's long-term stability and prosperity.

The day is also not far off when China will resume the exercise of sovereignty over Macao. China and Portugal have established an amiable relationship of cooperation on the Macao question, which has played a positive role in promoting social stability and economic development in Macao.

Over the past year, economic ties between the two sides of the Taiwan Straits have become closer, visits back and forth by individuals have increased, and some results have been achieved in negotiations on routine issues. The eight-point proposal for promoting the process of the motherland's peaceful reunification recently put forward by Comrade Jiang Zemin, general secretary of the CPC Central Committee and president of the state, clearly points out the direction for the development of cross-strait relations at the present stage, and is sincere in feeling and appropriate in meaning, winning warm acclaim from the compatriots at home and abroad. [applause] We hope the Taiwan authorities will set the overall interests of the nation above everything else, offer a positive response to the proposal, and do some concrete things to promote exchanges between the two sides and the great cause of the motherland's reunification. Adherence to the principle of one China is the basis

and prerequisite for peaceful reunification. We resolutely oppose "two Chinas" or "one China, one Taiwan" in any form, and resolutely oppose any attempt or action aimed at bringing about the independence of Taiwan. We appeal to all Chinese, including our compatriots in Taiwan, to unite and hold high the great banner of patriotism, uphold reunification, oppose separation, spare no effort to promote the development of relations between the two sides, and strive together for the accomplishment of the great cause of the motherland's peaceful reunification. [applause]

Seventh. On diplomacy.

The world is undergoing complicated and profound changes. Generally speaking, the international situation is moving toward an easing of tension. There has been a noticeable increase in the tendency of settling disputes through peaceful talks. There has been further progress in the trend toward multipolarization. The great number of developing countries are playing a positive role in international affairs. Economics is becoming an increasingly important factor in international relations. Safeguarding world peace and promoting economic development is the common desire of people around the world. However, hegemonism and power politics continue to hang on. Local and regional armed conflicts persist. Still plagued by many destabilizing and uncertain factors, the world is not tranquil.

Over the past year China has made major progress in diplomatic work. More than 40 foreign heads of state and government visited China. Chinese leaders, headed by President Jiang Zemin, also visited scores of countries. These visits have promoted the development of bilateral relations.

China has further developed its good-neighborly relations with surrounding countries, strengthened its solidarity and cooperation with the great number of developing countries and further improved its relations with Western countries.

China has expanded its trade and exchanges and the areas for economic and technological cooperation with other countries of the world with each passing day. China has actively participated in international affairs and has played an important role in the peaceful settlement of international disputes, and in the promotion of regional and global economic cooperation. We have made more and more friends and we now enjoy greater international prestige.

In the new year, the Chinese Government will continue to unwaveringly pursue its independent foreign policy of peace, establish and develop friendly relations with other countries, oppose hegemonism and power politics, safeguard world peace, and promote social development and the progress of mankind.

China will, as always, pursue a good-neighborly policy and is ready to conduct extensive friendly cooperation with all surrounding countries.

China has all along made positive efforts to maintain peace and stability on the Korean peninsula. China attaches great importance to the role of the Association of Southeast Asian Nations in maintaining regional peace and development. China will further strengthen its solidarity and cooperation with the great number of developing countries as well as its consultations with them on bilateral and international affairs with a view to further improving its existing friendly relations and jointly safeguarding the rights and interests of the developing countries.

On the basis of mutual respect, non-interference in each other's internal affairs, and equality and mutual benefit, we hope to further improve and develop our relations with Western countries, increase our exchanges, and maintain the momentum in economic and trade cooperation.

A stable force behind the preservation of world peace, China will not pose a threat to any country. China is ready to settle disputes through dialogue on the basis of equality and bilateral negotiation.

China maintains that all countries, big or small, strong or weak, are equal members of the international community and have the right to choose their own social systems and paths to development. We do not impose our own social system or ideology upon others, and we are resolutely opposed to attempts by other countries to impose their social systems or ideologies upon us. [applause]

China advocates active international trade and scientific and technological cooperation on the basis of equality and mutual benefit, and opposes any unequal or discriminatory practices. It is China's position that a new international political and economic order which is peaceful, stable, just and equitable should be established on the basis of the Five Principles of Peaceful Coexistence and other universally recognized norms governing international relations.

This year marks the 50th anniversary of the victories of China's War of Resistance Against Japan and the world's anti-fascism war, as well as the United Nation's 50th founding anniversary. Our nation will hold solemn commemorative activities. We will never forget the unprecedented calamity the war of aggression brought to the people in China and the world. We must never allow that tragedy of unparalleled savagery to be repeated. [applause]

Our nation will actively participate in the upcoming UN summit on social development issues. As the host nation, we are actively preparing to hold the United Nation's Fourth World Women Conference. China has always worked for the lofty cause of peace and development, and is willing to put in unremitting efforts together with various nations of the world to carry a new, peaceful, stable, prosperous, and beautiful world into the 21st century. [applause]

Fellow deputies, the tasks of reform and development for this year are arduous. We possess many favorable conditions and are faced with good opportunities for development. As long as we unwaveringly implement the party's basic line and various principles and policies, arouse the enthusiasm of all sectors, emancipate our minds, seek truth from facts, work in a down-to-earth manner, and innovate and forge ahead under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, and under the leadership of the party Central Committee with Comrade Jiang Zemin as the core, we can definitely attain ever greater achievements in carrying out the various tasks this year. [applause]

'Outline' of Work Report

OW0503012995 Beijing XINHUA in English 0112
GMT 5 Mar 95

[“Outline of Premier Li Peng's Government Work Report”—XINHUA headline]

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—Premier Li Peng said today that this year the Chinese Government will resolutely curb inflation, strengthen agriculture and further restructure the economy with focus on State-owned enterprises to achieve rapid and sound economic development and promote overall social development.

The Report on the Work of the Government Li delivered to the annual session of the National People's Congress reflects the guideline for this year's economic work set during a national conference on economic work held here at the end of last year.

The 35-page, 16,000-character report has seven parts. Seventy percent of the report is devoted to China's economic development, reforms and work in other areas. The report also reviews last year's government work and explains views on China's reunification and diplomatic work.

Premier Li Peng said that the State Council has basically accomplished all the tasks set for 1994 by the Second Session of the Eighth National People's Congress.

In the past year, in accordance with the requirements for the establishment of a socialist market economic structure, China has carried out important reforms in finance, taxation, banking, foreign currency and foreign trade, investment, pricing and in the circulation system, and achieved expected results.

This marks a decisive step taken in China's economic restructuring.

Meanwhile, China's economy continued to grow rapidly in 1994, with the gross domestic product shooting up 11.8 percent, the added value of agricultural output rising 3.5 percent and the added value of industrial output climbing 18 percent. The living standards of

urban and rural residents continued to improve, while social stability was maintained.

Listing these achievements in his report, Premier Li Peng said, "In the midst of progress we still have problems and difficulties," such as the excessive price rises, agriculture having a weak foundation and some State-owned enterprises having difficulties in production and operation.

A quarter of the report deals with these problems and the measures the government is taking to solve them.

Compared with the economic targets set by the government for 1994, the most noticeable difference this year is to list the curbing of inflation as the top priority in macro-economic controls.

Moreover, for the first time this year the reform of State-owned enterprises was listed as the most important task for economic restructuring. Specific reform measures were also announced.

As last year's report, this year's report also emphasizes agriculture as the foundation of China's economy. What is impressive is that this year's report sets specific targets for grain and cotton production, and emphasizes the need to persist in the "system of provincial governor's responsibility" that is designed to ensure grain supplies of a province.

In his report, Premier Li set the target for macro-control of this year's economic growth at eight to nine percent and announced the goal of achieving a considerable drop in price rises, as compared with last year, which should stay at around 15 percent.

To meet the targets, he announced major policy measures the government will take this year, including readjusting the economic structure, strictly controlling the scale of capital construction, applying a moderately tight monetary and financial policy, increasing investment in agriculture, deepening the reform of the circulation system and further opening China to the outside world.

The premier emphasized that State-owned enterprises hold a crucial position in the national economy and that the reform of State enterprises demands bold exploration.

He said that in restructuring the economy this year, it is necessary to carry out the supporting reform of the social security system, strengthen and improve measures in reforming the macro-control system, further alter the functions of the government and foster a market system.

The premier emphasized that developing science, technology, culture, public health and sports is of great significance in promoting overall social progress.

He also stressed the need to create a fine social environment for the reform and development.

He emphasized the importance of socialist democracy and the legal system, saying: "In 1995, we shall implement harsher measures to combat criminal activities in order to improve public security."

He described fairness and honesty as the "code of conduct" for every government employee, saying that leading cadres at all levels should set a good example in performing their duties honestly.

He also called for efforts to put an end to fraud, boasting and exaggeration in some units and localities in order to safeguard the authenticity and inviolability of statistical work.

Speaking of the Hong Kong issue, Li Peng stressed the importance of adhering to the established principle and relying on the entire Chinese people, including the compatriots in Hong Kong, in order to realize a smooth transfer of power in Hong Kong.

Speaking of the Taiwan question, he noted that the eight-point proposal announced by Jiang Zemin, the General Secretary of the Chinese Communist Party Central Committee and the Chinese President, expressed the orientation for the development of present relations between the two sides of the Taiwan Straits.

Speaking of China's diplomatic work, he reiterated that the Chinese Government will unwaveringly pursue its independent foreign policy of peace.

Li Peng said in conclusion: "This year, we are faced with the heavy tasks of reform and development. However, there are many favorable conditions and there exist many opportunities for development."

Facts, Figures From Work Report

OW0503031295 Beijing XINHUA in English 0253
GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—The following facts and figures were announced today by Chinese Premier Li Peng in his government work report to the annual session of the National People's Congress:

- China's gross domestic product amounted to 4,380 billion yuan in 1994, up 11.8 percent over the previous year;
- The added value of the country's agricultural output rose 3.5 percent and China's grain production reached 444.5 billion kilograms last year;
- The added value of the country's industrial output increased by 18 percent;
- The increase in investment in fixed assets rose 27.8 percent last year;
- The total volume of retail sales increased 7.8 percent in real terms in 1994;
- China's total trade volume came to 236.7 billion U.S. dollars in 1994, an increase of 20.9 percent;

- The state's foreign exchange reserves reached 51.6 billion U.S. dollars at the end of last year, an increase of 140 percent;
- Actual foreign investment in China totaled 33 billion U.S. dollars last year;
- China carried out important reforms in finance, taxation, banking, foreign currency and foreign trade, investment, pricing and in the circulation system in 1994, and achieved expected results;
- The average per-capita net income of rural residents was 1,220 yuan last year, an increase of five percent in real terms;
- The average per-capita income that urban residents used for living expenses reached 3,179 yuan in 1994, up more than eight percent in real terms;
- Personal bank savings deposits increased by 630 billion yuan last year;
- Retail prices rose 21.7 percent in 1994;
- The second phase of the project for planting shelter forests in northeast China, north China and northwest China was completed a year ahead of schedule; the construction of the Beijing-Kowloon Railway is in full swing; the construction of the three gorges project on the Chang Jiang River and the Xiaolangdi Project on the Yellow River, has begun; and the main canal for diverting water from the Datong River to Qinwangchuan in Gansu Province has been put into use;
- In 1994, large and medium-sized generating units with an aggregate capacity of more than 15 million kilowatts were installed; over 3,300 kilometers of new railways and double-tracked railways as well as 1,900 kilometers of first-class highways were built; the handling capacity of ports increased by nearly 26 million tons; and nearly 19 million additional telephones were installed;
- More than 40 heads of state and government visited China in 1994, while Chinese President Jiang Zemin and other Chinese leaders visited many other countries;
- The target for macro-control of this year's economic growth rate is set at eight to nine percent;
- The margin of retail prices this year is targeted at around 15 percent;
- Generally speaking, no new price-regulating measures will be taken this year;
- China's grain production this year is targeted at 455 billion kilograms and its cotton production at four million tons;
- In 1995, construction of the Beijing-Kowloon will be completed and alternate lines of the Lanzhou-Urumqi Railway and the Baoji-Zhongwei Railway in northwest China will be put into operation;
- The modern national digital telecommunications network with Beijing as the center and optical fibers as the backbone will be basically completed this year;
- In 1995, real estate investment should focus on the construction of housing for the majority of the population, and rigid restrictions should be imposed on the construction of more expensive housing projects;
- China will continue to open to the outside world in all directions and focus on achieving better results this year;
- This year, the central authorities will increase investment in agriculture by a fairly large margin;
- This year, it is necessary to persist in the system of the city mayor's responsibility for the "market basket" and that of the provincial governor's responsibility for the "rice bag;"
- This year, China will introduce a system of responsibility for the management of state assets as well as a system for assessing the preservation of and an increase in the value of these assets so as to guard against possible losses;
- In 1995, the State Council will introduce a state-controlled holding company system in several selected trades;
- This year, China will introduce, as soon as possible, a system with which individuals will file tax returns, with emphasis on the collection of personal income tax from people with large incomes;
- In 1995, China will basically complete the reform of organizational setups in local governments at all levels;
- China will hold a national science and technology conference this year, which will make overall arrangements for the development of science and technology;
- China will experiment with the health insurance system for workers and office staff in urban areas this year;
- This year, China will resolutely put an end to fraud, boasting and exaggeration in some units and localities;
- China will draw up the 9th Five-Year Plan (1996-2000) this year;
- In 1995, China will celebrate the 50th anniversary of the victory in China's War of Resistance Against Japan and the world war against fascism; and
- As the host to the United Nation's Fourth World Conference on Women, China is now actively making preparations.

'Backgrounder' on Eight Heroes, Model Workers
*OW0603025895 Beijing XINHUA in English 0237
GMT 6 Mar 95*

[XINHUA "Backgrounder": "Brief Introduction to Eight Heroes, Model Workers"]

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Chinese Premier Li Peng praised eight heroes and model workers in his government work report he delivered yesterday. Following is a brief introduction to the heroes and model workers:

—Zhang Mingqi, former secretary of the Communist Party Committee of Jinzhou City in northeast China's Liaoning Province, died at his post at the age of 49 in the forefront of a fight against flooding. In August 1994, he was granted the title of the "Outstanding Leading Cadre of the Chinese Communist Party" by the Liaoning Provincial Party Committee.

—Bao Qifan, a self-taught engineer and deputy manager of the Nanpu Harbor Company in Shanghai, is a prolific inventor. Originally a loader, he gradually became a well-known middle-aged expert in China's transportation industry. To date, he has made more than 70 inventions and renovations and has won many national invention awards.

He now holds six national patents and 50 patented techniques. He is also a winner of nine international gold invention awards and two silver invention awards, and three national invention awards. He was chosen as one of the "Ten Most Outstanding Workers in China" in 1994.

—Han Suyun, who is praised as a fine People's Liberation Army (PLA) man's wife, lives in Shilizhadong Village, Nanwang Town, Wenshang County, in east China's Shandong Province. To support her husband in serving in the army wholeheartedly, she has taken on all household chores and farming for his family of nine members. She was infected with thighbone head necrosis as a result of overwork, but she told her husband that everything was fine in the family.

—Li Shuangliang, who is praised as the "Foolish Old Man" of our time, is a retired worker at the Taiyuan Iron and Steel Company in north China's Shanxi Province. Since 1983, he has been leading his fellow workers in utilizing waste residue without government funding.

By the end of 1992, they had dug out 14.84 million tons of waste residue, recycled 560,000 tons of scrap steel and recovered some 130 hectares of land, where highways, gardens and apartment buildings have been constructed.

In 1986, he was named one of the 500 most outstanding people worldwide in protecting and improving environment by the United Nations. He is a deputy to the current NPC.

—Zhao Xuesang, who is praised as a "good doctor of the people," is head of the Department of Gynecology and obstetrics of the People's Hospital of Changzhi City, Shanxi Province.

Since 1963 she has treated more than 20,000 patients without making a single mistake. She was granted the title of "People's Good Doctor" by the Shanxi Provincial Communist Party Committee. In 1994, she won the first "Bethune Medal" in China.

—Wang Siming, an outstanding teacher, has based his work in a poor mountainous area for 27 years, in the Xiaiqu Primary School in Yanchang County in northern China's Shaanxi Province. He has led his pupils in raising money by collecting medicinal herbs and planting fruit trees and reed so as to improve teaching conditions.

—Peng Baolin, a courageous policeman at the Danshui Police Substation of the Public Security Bureau of Huiyang County in Guangdong Province, bravely laid down his life in the course of pursuing an important criminal.

On May 14, 1993, Peng and other police officers were searching a house when a gangster held a policeman as a hostage with a gun. To save his colleague, Peng jumped at the gangster and was shot at his abdomen. Peng managed to kill the gangster before he died.

—Zeng Jiao, a PLA model soldier who loves the army and goes all out in military training, is a platoon leader with the Second Artillery Forces. He joined the army in 1982. He has invented a new meter for the missile control system. He has won a medals and an honorary title from the Central Military Commission.

'Backgrounder' Details Priority Projects in Work Report

*OW0603014895 Beijing XINHUA in English 0116
GMT 6 Mar 95*

[XINHUA "Backgrounder": "Brief Introduction to Five Priority Projects in China"]

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Chinese Premier Li Peng yesterday listed five priority projects in his government work report delivered at the current session of the National People's Congress. Following is a brief introduction to the projects:

—The three-north shelterbelt project: In 1978, China decided to launch this gigantic cross-century project, regarded as one of the largest ecological construction projects in the world. The shelterbelt system, which runs across 13 province-level areas in northeast, north and northwest China, covers a total area of 4.07 million square kilometers, 42.4 percent of China's land mass. It is scheduled for completion in 2050.

—The Three Gorges hydroelectric project on the Chang Jiang River is a massive construction project in China

and is also listed as a super-project in the world. Located in Sandouping Town, Yichang City, Hubei Province, the project will consist of a dam, flood-discharging facilities, a hydroelectric power plant and navigational facilities. The dam is designed to be 1,983 meters long and 185 meters high. The reservoir is designed to store 39.3 billion cubic meters of water. Work on the project began on December 14, 1994 and is set for completion in 2009.

- The Xiaolangdi water-control project is a gigantic one to harness the Yellow River. Located about 40 kilometers north of Luoyang City in central China's Henan Province, the project is a comprehensive one combining controls over flooding and ice jams with sedimentation reduction, as well as irrigation and electricity generation. Construction of the project is set for 11 years. When completed in 2001, it will enable the lower reaches of the Yellow River to withstand flooding that occurs once every 1,000 years.
- The project to divert water from the Datong River to Qinwangchuan in northwest China's Gansu Province: Stretching from Tiantangsi bordering Gansu and Qinghai provinces, the 880-km diversion channel diverts water from the Datong River, a tributary of the Yellow River, to Qinwangchuan, 60 kilometers north of Lanzhou, capital of Gansu Province, and irrigates 57,300 hectares of farmland. The trunk canal was completed in September 1994.
- The Beijing-Kowloon Railway is the largest railway construction project in China. The 2,381-km railway will be built at a total cost of 30 billion yuan. Construction of the railway started in April 1993 and will be completed in 1997.

Deputies' Reaction to Li Peng's Government Work Report

Report 'Practical,' 'Down-to-Earth'

OW0503153395 Beijing XINHUA in English 1523
GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—"No empty words, boast and targets that cannot be reached," said a Chinese local official today, commenting on the government work report delivered by Chinese Premier Li Peng here this morning at the current session of the National People's Congress (NPC).

Shaanxi Provincial Governor Cheng Andong, an NPC deputy, said the report mentioned several times that "doing what people are capable of." Noting that this year's economic growth rate is set at eight to nine percent and the range of price hikes be controlled at about 15 percent, the governor said that "all these targets are practical."

Shanxi Provincial Governor Sun Wensheng described the report as being "practical and down-to-earth."

"The measures intended to strengthen agriculture this year as contained in the report are easy to take," Sun said.

This afternoon, most NPC deputies continued to read the report and made preparations for group discussions scheduled to begin tomorrow afternoon, while members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) began to discuss the premier's report.

According to comments gathered by XINHUA, the government attitude toward problems and difficulties the country is facing as well as self-criticism of the government were widely acclaimed.

Yang Xizong, chairman of the Standing Committee of the Sichuan Provincial People's Congress, said China's problems and difficulties can be resolved as the government faces them.

Li Zuze, a CPPCC member, said that admitting errors in the government work will enhance people's confidence.

Chen Bangguo, an NPC deputy and farmer from Guangdong Province, was most impressed by the report's exposition on agriculture. In his opinion the measures put forward by the government is feasible, but the question is how governments at all levels will implement them.

"Our farmers will see how the measures of the central authorities be carried out," he added.

Gu Jinchi, an NPC deputy and secretary of the Liaoning Provincial Party Committee, said straightforward description of the problems will help solve them.

He said that quite many state enterprises in Liaoning Province lack vitality. The report which describes in detail the reform of the State-owned enterprises provides food for thought in this respect, Gu said.

Some deputies suggested that descriptions on other problems such as extreme difficulties of some people in their livelihood be added into the report. Others commented that the government is not determined enough to bring price hikes under control and the measures for revitalizing State-owned enterprises are far from concrete.

Many CPPCC members also raised suggestions on how to overcome the difficulties the country is facing during their discussions.

Deemed 'Frank,' 'Pragmatic'

OW0503150995 Beijing XINHUA in English 1500
GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—Premier Li Peng's government work report delivered at the opening meeting of the Third Session of the Eighth National People's Congress today was frank and pragmatic, many deputies say.

In his 100-minute work report, the premier put forward a series of measures to solve the problems facing the nation.

He listed the problem of price hike, which hit 21.7 percent last year, as the top issue in China's economic operations. About one-tenth of his report deals with ways to curb inflation. This is unprecedented, one deputy remarked.

The close attention of the government on the issue coincides with what the general public think about. A recent survey among 20,000 households shows that 83 percent said price rise is what they are most concerned with.

Xu Yan, a deputy from east China's Jiangsu Province, was happy with the government's attitude and its measures against price hike.

"The problem of inflation is of immediate concern to the people," she said. "It seems that the government has fully understood what has happened and the measures it put forward seem to be forceful."

China's economy continued to grow at a double-digit rate last year. China also stepped up its opening to the outside world and the society remained stable. But observers pointed out that the government report did not say much on these positive achievements. Instead it focused on ways to solve various problems including inflation.

The premier admitted before nearly 3,000 deputies attending today's meeting that the government has made some mistakes and that inflation rate has risen a bit too high, comparing with its set target of about 10 percent.

His government work report at the meeting was telecast live nationwide to the entire Chinese people.

The premier stated that the government will strive to keep the inflation rate at about 15 percent this year, and to achieve that target, it will exercise a tight monetary and financial policy in the year.

In addition, he said that the government will also strictly control fixed assets investment, increase the supply of farm produce, improve the commodity circulation order and standardize market behavior.

Agriculture and reform in State-owned enterprises are two other major issues the premier stressed. In the country with 1.2 billion people, a weak agriculture has led to a short supply of farm products and excessive rises of grain prices. Poor management and outdated equipment have left nearly one-third of State-owned enterprises running in the red.

The premier said in his report that the government will increase investment in agriculture by a large margin this year and stabilize the acreage seeded under grain and cotton to ensure a steady growth of agriculture.

On the other hand, reform in State-owned enterprises has been taken as the key in this year's economic restructuring. The government hopes State-owned enterprises would step out of difficulty through a series of reforms such as separating government and enterprise functions, improve management and implement the joint-stock system.

And if the reforms do not work, he said, some State-owned enterprises will be "allowed to declare bankrupt."

At the end of his work report, the deputies gave a big hand in warm applause, showing their hearty appreciation.

Li Fashui, a farmer deputy from Anyang County in central China's Henan Province, said he was deeply impressed by the down-to-earth attitude of the government.

"The report is very pragmatic," he told XINHUA. "The measures to be taken are also forceful. And such a government is worthy of the trust of our farmers."

A western diplomat present at today's meeting who refused to be attributed said that China scored a lot of achievements last year but serious problems do exist.

He said that the report has quite a few "new blazes" and has "hit the point."

Overseas Diplomats, Reporters Attend Opening of NPC

OW0503100595 Beijing XINHUA in English 0932
GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—Several hundred diplomats and reporters from overseas present at the opening meeting of the Third Session of the Eighth National People's Congress [NPC] here today were found to have shown keen interest over the NPC session as well the annual session of the Chinese People's Political Consultative Conference.

The 127 diplomats from foreign embassies and representative offices of international organizations and hundreds of reporters from overseas were seated on the second floor of the meeting place, the Great hall of the People. They were able to "have a look over China at close range" as in the words of one guest.

Several hundred overseas reporters were most active in the front hall of the meeting place before the meeting started, seeking people of interest and trying to "dig up" their views on a variety of topics.

Premier Li Peng delivered his government work report this morning, and to facilitate the overseas guests, more than 1,600 copies of the report in Chinese, English, Japanese, German, Russian, French and Spanish were distributed among them. And they were not hesitating in airing their comments.

Lazerka Vadim, a counsellor from the Belarus embassy, said that the annual sessions are important to China's economic development. He said that China has made great progress in economic growth, reform process and foreign affairs. Possibly, China will achieve still greater successes, he added.

Two Canadian diplomats said they would like to see the "long awaited" Law on the People's Bank of China approved by the NPC session and see whether there were personnel changes.

Ashraf Jehangir Qazi, Pakistan ambassador to China, said that China's reform has accelerated its economic development, and this has set an example for other Third World countries.

He said that he was more interested in the part on foreign affairs in Premier Li's work report. It is a practical and wise policy that China develops friendly relations with all its neighboring countries in a bid to promote a peaceful external environment for its economic development, he said.

Li Xiao Bing, a reporter of "WEN WEI PO" of Hong Kong, said that she was concerned with the economic problems as Hong Kong's economy is closely linked with that of the Chinese Mainland.

Casey K. C. Ko, a reporter of the Hong Kong Cable TV Station, paid more attention to price control because many non-staple food supplies in Hong Kong were from the mainland.

Several Taiwan reporters said that they cared most about the report's statement on the peaceful reunification of the country.

Alexander Romanov from ITAR-TASS of Russia said that he was interested to see how China would solve its agricultural problems. The former Soviet Union did not put due emphasis on agricultural development and resulted in serious social problems, he said.

"The Chinese Government now attaches big importance to agriculture," he said. "I will introduce more information in this aspect to my Russian readers."

Tran Thu from the Beijing Branch of VIETNAM NEWS AGENCY said that he was interested in China's agriculture and the reform of the state-owned enterprises.

After hearing Li Peng's report, a western diplomat who declined to be attributed [said] that the report "made some new blazes and hit the point". But he said that it is an arduous task for the Chinese Government to cut price rise at 15 percent this year.

Finance Minister To Propose Increased Defense Spending

OW0503123495 Tokyo KYODO in English 1222 GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 KYODO—Finance Minister Liu Zhongli will propose to increase

defense spending for fiscal 1995 by 20.7 percent or 62.8 billion yuan at Monday's session of the National People's Congress, Chinese sources said Sunday [5 March].

It will be the second largest increase after a 22.4 percent raise in fiscal 1994 since China adopted its open door policy in 1978.

NPC Session Holds Second Plenum 6 Mar

OW0603113595 Beijing XINHUA Domestic Service in Chinese 0342 GMT 6 Mar 95

[FBIS Translated Text] Beijing, 6 Mar (XINHUA)—The Third Session of the Eighth National People's Congress [NPC] held the second plenary meeting at the Great Hall of the People this morning to hear a report on the implementation of the 1994 national economic and social development plan and the draft 1995 national economic and social development plan, as well as a report on the implementation of the 1994 state budget and the draft 1995 central and local budgets.

Chen Muhua, permanent chairwoman of the presidium and executive chairwoman of the NPC session, chaired the meeting, which was attended by 2,746 deputies.

At 0900 [0100 GMT], Chen Jinhua, minister in charge of the State Planning Commission, began to deliver, on behalf of the State Council, a report to the meeting on the implementation of the 1994 national economic and social development plan and the draft 1995 national economic and social development plan. He said: In 1994, the entire country conscientiously implemented the party Central Committee's guiding principles of "seizing the opportunity, deepening reform, opening up wider, promoting development, and maintaining stability," and correctly handled the relationship between reform, development, and stability in accordance with the "Resolution on the Implementation of the 1993 National Economic and Social Development Plan and the 1994 National Economic and Social Development Plan" examined and approved at the Second Session of the Eighth NPC. New achievements were made in reform, opening up, and economic and social development; people's lives continued to improve; and social stability was maintained. Generally speaking, good progress was made in implementing the national economic and social development plan. Substantial headway was made in economic structural reform; fairly rapid growth was maintained in the national economy; the construction of key state projects was stepped up markedly; the financial and banking situation remained stable; a sound momentum in opening up to the outside world was maintained; scientific, technological, educational, and other social undertakings developed in an all-round manner; and urban and rural residents' lives continued to improve.

Chen Jinhua said: Some glaring problems continue to exist in economic operations. The main problems are: Agriculture's status as the foundation of the national

economy remains fragile, the disaster-fighting capacity has weakened, and there is a failure to meet the demand for economic development and improved living standards. Normal economic operations have been affected as a consequence of production and management difficulties at some state-owned enterprises, fairly poor economic efficiency, and rather serious defaults on payments among these enterprises. Particularly glaring are escalating inflation and excessive retail price increases that have greatly affected some urban and rural residents' lives. He said: Regarding these problems, we will earnestly sum up our experiences to improve our way of dealing with them. We sincerely hope for continued concern, guidance, and supervision from the NPC deputies and Chinese People's Political Consultative Conference members at all levels throughout the country.

Chen Jinhua said: The major macroeconomic regulatory and control goals set forth in the 1995 national economic and social development plan are: The gross domestic product will increase by 8 to 9 percent; total fixed asset investment will amount to 1,700 billion yuan, of which 1,160 billion yuan will be invested in state-owned units and 540 billion yuan in collectives and the private sector; the difference between revenue and expenditure will be 66.68 billion yuan; 153.7 billion yuan's worth of government bonds will be issued; new bank loans will amount to 570 billion yuan; total retail sales of consumer goods will come to 1,950 billion yuan; total exports and imports will amount to \$240 billion, of which exports and imports will each total \$120 billion; the increase in the country's general retail price level will be limited to some 15 percent to ensure a marked decline in the margin of growth; and the natural population growth rate will be confined to 12.44 per thousand.

Chen Jinhua pointed out: To achieve the major goals and tasks in this year's national economic and social development plan, we should pay particular attention to the following tasks: Maintaining moderate economic growth while focusing on improving quality and efficiency in economic growth; firmly controlling inflation and ensuring the realization of the goal of regulating and controlling prices; conscientiously strengthening agriculture and ensuring stable growth in the output of major agricultural products; giving priority to restructuring industrial production and improving economic efficiency; maintaining a rational fixed asset investment scale and optimizing the investment structure; opening up wider to the outside world and making active and effective use of foreign capital; persisting in according strategic status to science, technology, and education for priority development; actively developing various social undertakings; and continuing to improve people's lives.

Discussing the issue of further strengthening and improving macroeconomic regulation and control to ensure a sustained, rapid, healthy [chi xu kuai su jian kang 2170 4958 1816 6643 0256 1660] development of the national economy, Chen Jinhua said: On the basis of the current new circumstances and the requirements for

reform and development throughout this year, we should exercise macroeconomic regulation and control in conjunction with the most important task of curbing the inflation; and should pay particular attention to the following several aspects: first, implementing moderate stringent [shi du cong jin di 6624 1653 1783 4868 4104] financial and monetary policies; second, strictly controlling an excessive growth in fixed asset investments and consumption funds; third, consolidating circulation order and reinforcing the regulation and control as well as supervision and management of market prices; fourth, striving to create the necessary macroeconomic environment for the reform of state-owned enterprises; and fifth, further improving the macroeconomic regulation and control system to enhance the consistency and effectiveness of macroeconomic regulation and control.

Then, entrusted by the State Council, Finance Minister Liu Zhongli delivered a report on the implementation of the 1994 state budget and the 1995 draft central and local budgets. He said: As a result of the smooth progress in reform and rapid economic growth, the implementation of the 1994 state budget proceeded well. According to preliminary statistics, total state revenues came to 518.175 billion yuan, or 108.9 percent of the budgeted amount, an increase of 19.2 percent over the 1993 figure. Total state expenditures amounted to 581.976 billion yuan, or 107.2 percent of the budgeted figure, an increase of 25.4 percent over the 1993 figure. Revenues and expenditures resulted in a deficit of 63.801 billion yuan. Of this, the deficit in the central budget was not in excess of the budgeted figure; and there was a surplus of 3.013 billion yuan from the local budgets. There will be some changes in these figures, when the state's final account is completed.

After reporting the implementation of the 1994 state revenues and expenditures compiled according to the dual budget system, Liu Zhongli said: We took a fairly big stride in the reform of finance and taxation in 1994; however, the achievements are only periodic [jie duan xing 7132 3008 1840]. Since a gradual transition from the old system to the new has taken place, no big adjustments have been made in the original pattern of distribution of interests. Therefore, we are still facing a relatively grim financial situation which has not yet improved. He said: This year, in line with the unified arrangements of the party Central Committee and the State Council, we will continue to deepen the financial and taxation reform to consolidate the achievements already made. Meanwhile, we will begin to study and draw up a financial plan during the Ninth Five-Year Plan period, and propose ideas and methods for easing our financial difficulties.

On the 1995 draft central and local budgets, Liu Zhongli said: The principles for arranging the 1995 draft central and local budgets are: comprehensively implementing the economic work guidelines laid by the party Central Committee, carrying out a moderate stringent financial policy, and resolutely curbing inflation; continuing to

improve and deepen the financial and taxation reform and actively coordinating with the reform of state-owned enterprises and reforms in other fields; striving to tap the potential for increasing revenues by strengthening and improving financial and taxation management so that the increase in financial revenues is compatible with the economic growth; and further readjusting the structure of expenditures by increasing the input into agriculture, by tightening budget controls, and by continuing to curb investment and demand for consumption while ensuring an appropriate increase in expenditures for building up state power organs and for the development of institutions, thereby promoting a sustained, rapid, healthy development of the national economy and all-round social progress.

On arrangements for the 1995 central budget, Liu Zhongli said: Central revenue totals 382.754 billion yuan, an increase of 32.978 billion yuan, or 9.4 percent, over the 1994 figure; total central expenditure amounts to 449.434 billion yuan, an increase of 32.844 billion yuan, or 7.9 percent, over the 1994 figure.

Discussing the need to continue to deepen reform, to strengthen macroeconomic management, and to strive to do a good job of the financial and taxation work in 1995, Liu Zhongli said: This year, in line with the overall arrangements of the party Central Committee and the State Council, we should do a penetrating and meticulous job in perfecting the financial and taxation reform; should pay close attention to the quality and efficiency of economic growth and work energetically to stop deficits of enterprises and increase their profits; should handle taxes strictly according to the law and strengthen the collection and management of taxes; should mobilize forces in all sectors to ensure the fulfillment of the plan to issue state treasury bonds; and should follow the moderate stringent financial policy, and strictly manage expenditures.

Those who were seated on the front row of the rostrum today were the executive chairmen for today. They were Qian Jiwei, Pagbalha Geleg Namgyai, Wu Jieping, Ma Wanqi, Wang Chaowen, Wang Qun, Ye Gongqi, Ruan Chongwu, Li Zhen, Zhang Kehui, Zhang Boxing, Zhang Jianmin, Zhao Dongwan, and Jia Qinglin.

The visiting Norwegian parliamentary delegation, led by President Grondahl of the parliament of the Kingdom of Norway, also observed today's session.

Finance Minister's Report

OW0603024595 Beijing XINHUA in English 0222
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Chinese Minister of Finance Liu Zhongli said here today that the central budgeted deficit this year will be 66.68 billion yuan and the revenues and expenditures will be balanced in the local budgets.

Liu made the remarks in his report on the implementation of the State budget for 1994 and on the draft central and local budgets for 1995 he delivered today to the current Third Session of the Eighth National People's Congress (NPC).

Financial revenue for 1995 is expected to total 569.24 billion yuan, while total expenditures for 1995 is planned to top 635.92 billion yuan, representing increases of 9.9 percent and 9.3 percent, respectively, over the figures of 1994. Expenditures exceed revenue in the budgets, leaving a deficit of 66.68 billion yuan for 1995, according to the report.

The total amount of debt of the central budget came to 66.814 billion yuan last year, which did not exceed the budgeted figure.

The deficit is added to 86.016 billion yuan for servicing domestic and foreign debts, an increase of 36.2 billion yuan over 1994. Plus the deficit, the central government needs to generate more than 152 billion yuan of domestic debt.

China began to cover budget deficits by issuing treasury bonds from 1994. The government is not allowed to overdraw with the central bank.

Last year, the Finance Ministry issued 102 billion yuan in such bonds.

According to the compiled draft central and local budgets, the expenditures for supporting agricultural production and other agricultural undertakings will total 44.701 billion yuan, an increase of 13.7 percent over the 1994 actual figure and higher than the 11.2 percent growth in the regular financial revenue.

Investment in science, technology, education and other key areas will also increase, in accordance with the central and local budgets for 1995.

In 1995, 86.764 billion yuan will be appropriated for undertakings in education, and 9.967 billion yuan for undertakings in science, representing an average increase of 13 percent for the two items over 1994.

According to the budgets, expenses for building up the national strength total 149.934 billion yuan, including 49.922 billion yuan for administrative expenses and 63.097 billion yuan for national defense; subsidies to offset price rises total 34.141 billion yuan; subsidies to make up for losses in productive enterprises total 22.65 billion yuan; and expenses for productive capital construction total 53.962 billion yuan.

The Central Government plans to refund 189.4 billion yuan of tax revenue to various localities.

Calls Policy 'Relatively Stringent'

OW0603023895 Beijing XINHUA in English 0216
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—China has planned to tighten the screw of its financial

police in a moderate scale this year in a bid to bring the upward spiral of expenditure under control.

According to Finance Minister Liu Zhongli, the control will be "relatively stringent." This is an important step for the Central Government to curb inflation.

Liu was delivering a report on the implementation of the State budget for 1994 and on the draft central and local budgets for 1995 at a plenary meeting of the Third Session of the Eighth National People's Congress here this morning.

He said that the planned expenditures for the whole country this year will be 9.3 percent more than the 1994 actual figure, slightly lower than the increase of the year's financial revenue.

This represents a fairly slow growth compared to recent years, according to the minister. Such an arrangement is intended to produce desired results of bringing down inflation, the overall task for this year's economic work.

In recent years, there have been cries from various sectors for quickening economic development and demands for increasing expenditure. Financial expenditure has stayed 2 to 4 percentage points higher than the increase in revenue, leading to a growing deficit and increasingly huge debts.

This year, control on financial expenditure will be enhanced, with guarantee for key projects and reduction on non-key ones, according to Liu. Budget policy will also be tightened in accordance with the "Budget Law", to cut wastes in expenditure.

The minister said in the background of curbing inflation and control investment scales, there will be some increases on infrastructural investment with the Central Government, which is directed mainly to the needs of strengthening agriculture and other key projects.

Currently, the agriculture base remains weak and the basic industries, such as energy and transportation, are underdeveloped, creating serious "bottleneck" problems. The Central Government, therefore, must increase expenditures for key areas to a certain extent every year to facilitate improvement of the investment pattern and sustained development of the whole economy, said Liu.

According to the draft central and local budgets, the expenditures for supporting agricultural production and other agricultural undertakings total 44.701 billion yuan, an increase of 13.7 percent over 1994.

In the 1995 State budget, expenditures for capital construction amount to 46.195 billion yuan, an increase of 13.9 percent over the actual figure for 1994, according to Liu's report.

The minister said, China should cut projects which are redundant or yield poor returns because of their inappropriate size, as well as high-class real estate projects.

Local authorities should also reduce capital construction projects financed with raised funds in their budgets.

He noted that the achievements in the reform of finance and taxation in 1994 are only preliminary. Since a gradual transition from the old system to the new has been taken, no big adjustments have been made in the original pattern of distribution of interests. Therefore, he said, the financial situation has not yet improved. The central finance is still in difficulty.

"Our macro-regulating capacity is clearly insufficient," he said, noting that these contradictions are long-standing, so it will be hard to resolve them in a short period of time.

"In 1995 we shall continue to deepen the reform of finance and taxation. Meanwhile, we shall study the situation and prepare a financial plan during the Ninth Five-Year Plan period and propose some theories and methods for easing our financial difficulties," the minister said.

State Planning Minister's Report

OW0603022395 Beijing XINHUA in English 0206
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—China will continue efforts to strengthen and improve macro-control, curb inflation, develop agriculture and deepen reforms in State-owned enterprises so as to maintain a sound economic growth this year, a senior planning official said.

Chen Jinhua, minister in charge of the State Planning Commission, was delivering a report at a plenary meeting of the Third Session of the Eighth National People's Congress (NPC) here this morning.

He reported on the implementation of the 1994 plan for national economic and social development, and also explained the plan for this year's national economic and social development.

He said that China scored new progress in reform, opening to the outside world, economic construction and social development last year.

"In short, the plan for national economic and social development has been carried out satisfactorily," he said.

Chen said that China sets this year's economic growth rate at 8 to 9 percent over the previous year, and aims to rein in its retail price rises to about 15 percent.

To reach that target, he said, China plans to adopt fairly tight financial and currency policies. The deficit for 1995 will be 66.68 billion yuan, a slight drop from last year.

The total volume of state treasury bonds to be issued will stand at 153.7 billion yuan and the banks are expected to grant 570 billion yuan in new loans, an increase of 18

percent from last year but that is lower than the growth rate in the past several years.

China will also strictly control the excessive growth of fixed assets investment and consumption funds. Total investment in fixed assets is planned at 1,700 billion yuan, among which investment in State-owned enterprises and institutions totals 1,160 billion yuan and investment in collective enterprises and institutions and the private sector, 540 billion yuan.

The minister said that the total volume of retail sales will reach 1,950 billion yuan this year.

In addition, he said that China will intensify efforts to adjust the investment structure. The emphasis should be put on raising the proportion of investment in agriculture and water conservancy.

China will also be emphasizing key projects in basic and other backbone industries and in science, technology and education, he said.

Except for large and medium-sized projects approved by the State Council for construction, no locality or department is allowed to undertake any new large or medium-sized projects. On the contrary, they should exercise strict control over the number of small projects, according to the minister.

China this year will make concrete measures to strengthen agriculture and ensure a steady increase in the output of major agricultural products.

According to the plan for 1995, grain output should reach 455 million tons, cotton should increase by a large margin over the 1994 figure, and oil-bearing crops should reach 19.85 million tons, sugar-bearing crops, 85 million tons, meat, 44 million tons and aquatic products, 21.5 million tons.

To attain these goals, China will take a series of measures including the following:

- Ensuring 110 million hectares of cultivated land for grain planting and further increasing the acreage for cotton.
- Investing more in agriculture. In the central budgetary plan for 1995, 40 percent of the additional funds for capital construction should be used for agriculture, water conservancy and industries that support agriculture.
- The government will also try to keep the price of materials for agricultural production basically stable and apply agricultural scientific and technological advances.

Chen said that the industrial added value for 1995 should increase by 10 percent or so, dropping by a large margin from that of last year.

According to the minister, China will give top priority to restructuring industrial production and improving economic efficiency.

"All industries should run in accordance with market needs, quicken their pace of technical transformation and improve their management level," he said.

China will open wider to the outside world and utilize foreign investment more actively and effectively, he said.

The overall foreign trade volume is expected to reach 240 billion U.S. dollars, with import and export each accounting for half and achieving a trade balance.

He said China will issue the List of Industries Targeted for Foreign Investment so as to restructure foreign investment and achieve better efficiency in using foreign investment.

The minister also said that China will continue to keep science, technology and education in the strategic position for priority development, developing all social undertakings and continuing to improve the lives of the people.

This year's natural population growth rate is set within 12.44 per thousand and the actual income of urban and rural residents should grow by four to five percent.

Foreign Investment Pattern To Improve

OW0603024395 Beijing XINHUA in English 0213
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Chen Jinhua, Minister in charge of the State Planning Commission, said today this year China will continue to improve its investment environment and the pattern of foreign investment to achieve better results.

He made the remarks today in his report on the implementation of the 1994 plan for national economic and social development and the draft 1995 plan for national economic and social development to the annual session of the National People's Congress.

Chen said that this year China will strengthen guidance over direct foreign investment and combine the use of foreign funds with industrial restructuring and readjustment of the product mix.

In 1994, China actually brought in 45.8 billion US dollars in foreign funds, up 17.6 percent over the previous year. Direct foreign investment amounted to 33.8 billion dollars.

This year the State will issue the Provisional Regulations on Directing the Orientation of Foreign Investment and the List of Industries Targeted for Foreign Investment, in order to encourage and attract more foreign investment to develop high and new technology industries,

value-added export products and infrastructure projects, as well as resource development projects in the inland regions.

"We shall encourage foreign manufacturers to transfer their advanced technology and increase the technology content of foreign investment," he said.

He also noted that China will exercise tight controls over foreign borrowing. Activities such as international financing and leasing, foreign borrowing by foreign-funded enterprises with Chinese guarantors and financing by issuing convertible bonds and overseas funds must all be included in the State plan.

The minister said the country will further expand foreign economic and technical exchanges this year. Imports and exports have been planned to total 240 billion US dollars in 1995, with imports matching exports.

He said that the State will explore more international markets for Chinese products, with emphasis on the export of machinery, electronic products, light industrial products and textiles.

"We should also work hard to improve the quality and grades of export products, raise their added value and enhance their competitiveness on the international market," he said.

The Import and Export Bank will work hard to promote the export of complete sets of equipment, with the emphasis on expanding the export of new and high technology products, according to the minister.

He said, "We should do more to optimize the import mix, arranging for the smooth import of major commodities."

In line with the requirements for improving the technology in domestic industries and upgrading structure of production, "we should do a good job in importing technology, reducing redundant imports and avoiding chaotic importing," he added.

Leaders Listen to Reports

OW0603032995 Beijing XINHUA in English 0313
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Deputies to the Eighth National People's Congress (NPC) gathered here this morning to hear reports on China's social and economic development and budgetary plans.

Chen Jinhua, minister in charge of the State Planning Commission, reported to the deputies on the implementation of the 1994 plan for national economic and social development and the 1995 draft plan for national economic and social development.

Liu Zhongli, minister of Finance, made the report on the implementation of the State budget for 1994 and on the draft central and local budgets for 1995.

This second plenary meeting of the Third Session of the Eighth NPC was chaired by Chen Muhua, executive chairperson of the current session and vice-chairwoman of the NPC Standing Committee. More than 2,700 deputies were present at today's meeting.

Chinese Party and government leaders Jiang Zemin, Li Peng, Qiao Shi, Li Ruihuan, Zhu Rongji, Liu Huqing, Hu Jintao and Rong Yiren attended the meeting.

Chen Jinhua and Liu Zhongli explained the issues of curbing inflation, developing agriculture and deepening the reforms in State-owned enterprises listed in Premier Li Peng's government work report delivered yesterday. They all placed priority on curbing inflation this year through enhancing macro-economic control and properly planning central and local budgets.

According to Chen Jinhua, this year's economic growth rate was set at 8 to 9 percent. He said that the speed was based on the consideration of curbing inflation so as to create a favorable environment for China's reform and development and to shift economic development to improvement of economic structure and efficiency.

He said that investment in agriculture will increase by 13.7 percent, and input in education, science and technology will increase by 12.8 percent.

The minister forwarded five proposals, including tight currency and financial policies, strict control on fixed assets investment and on the increase of consumption fund, rectification of circulation order and enhancing macro-control and supervision on market price.

Meanwhile, Finance Minister Liu Zhongli said that total State revenue in 1994 came to 518.175 billion yuan, or 108.9 percent of the budgeted amount, an increase of 19.2 percent over the 1993 figure.

Total state expenditures amounted to 581.976 billion yuan, or 107.2 percent of the budgeted figure, up 25.4 percent. The accounts showed a deficit of 63.801 billion yuan, which did not exceed the budgeted figure.

He said that this year the central and local budgets will implement a relatively stringent financial policy. Financial revenue for 1995 totals 569.24 billion yuan, an increase of 9.9 percent over the 1994 actual figure while expenditure will rise by 9.3 percent.

The central taxation and finance departments will ensure the implementation of the central and local budgets through improving the reform of finance and taxation, strictly managing taxation according to law and tightening the collection and management of taxes, he said.

Deputies Urges Improving Navigation on Chang Jiang

OW0603094595 Beijing XINHUA in English 0832
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Urgent measures should be taken to improve navigation

on the Chang Jiang River, a major shipping waterway in the country, two deputies to the Eighth National People's Congress (NPC) said here today.

Normal navigation was disrupted by silting on the river bed on the middle reaches for more than 20 days during the low water season of January and February this year, causing big economic losses, they said.

The two deputies, both coming from southwest China's Sichuan province, China's most populous, made the call at a group meeting.

"I have worked for nearly 20 years on ships plying the Chang Jiang River," said Wang Jialing, a boat captain from the Chang Jiang Shipping Company in Chongqing city, Sichuan. "I felt most uneasy when I saw many passengers and boats of goods being laid up."

Originating from northwest China's Qinghai Province, the Chang Jiang River runs through the Tibet Autonomous Region and a number of provinces in central and eastern China. More than 3,000 km, out of its total length of 6,300 km, from Yibin to Shanghai, is navigable, and the river is therefore called "a golden waterway."

Wang said care should be taken during construction of the gigantic Three Gorges water-control project which started last year on the middle reaches of the river so as to ensure normal navigation.

"The disruption of the shipping route was due to both natural and human factors," she said, blaming the Chang Jiang navigation management authorities.

Her views were shared by other deputies. A college professor pointed out that after the completion of the Three Gorges project 17 years later, there will be no problem with navigation. The question is the 17 long years should be free from navigation problems on the river, a major shipping route that is very important to national economic development, he said.

CPPCC

Tibet NPC, CPPCC Members Mark Tibetan New Year

OW0603053395 *Beijing Central People's Radio Network in Mandarin 1030 GMT 3 Mar 95*

[From the "National Hookup" program]

[FBIS Translated Text] On 3 March, according to a Central Radio dispatch, NPC [National People's Congress] deputies and CPPCC [Chinese People's Political Consultative Conference] members from the Tibetan Autonomous Region, who had come to attend the current NPC and CPPCC sessions in Beijing, gathered at the United Front Work Department of the CPC Central Committee to mark the Tibetan New Year. Ngawang Ngapoi Jigme, National CPPCC Committee vice chairman; party and government leading comrades from the Tibetan Autonomous Region, including Chen

Kuiyuan, Raidi, and Gyaincain Norbu; and other Tibetan compatriots were present on the occasion.

Wang Zhaoguo, vice National CPPCC Committee chairman and CPC Central Committee's United Front Work Department director, extended festival greetings to the NPC deputies and CPPCC members from Tibet on behalf of the United Front Work Department. Wang Zhaoguo said: 1994 has been a year of significance for Tibet's development. Last July, the party Central Committee and the State Council convened the third forum on work in Tibet in Beijing, at which they adopted the principle for guiding work in Tibet, decided on its development goal for the new period, drew up a series of preferential policies, and mapped out plans for the construction of 62 projects urgently needed for boosting Tibet's economic and social development. All this fully demonstrates the concern of the party and the state for the people of Tibet and has also won the welcome and support of people of all circles in Tibet.

Wang Zhaoguo said: This year marks the 30th anniversary of the founding of the Tibet Autonomous Region. I hope all will make concerted efforts to accelerate economic development, to push forward social progress, to strengthen unity among various nationalities, and to build Tibet into a more beautiful region.

Jiang Zemin Greets Leaders Prior to CPPCC Session

OW0603005595 *Beijing Central People's Radio in Mandarin to Taiwan 2200 GMT 3 Mar 95*

[("Feature" by Central People's Radio reporter (Luo Guanxing): "Cordial Words Prior to the Opening"; from the "News and Current Events" program]

[FBIS Translated Text] On the afternoon of 2 March, the Great Hall of the People lounge was permeated with a warm atmosphere. Party and state leaders were having a cordial meeting with Chinese People's Political Consultative Conference [CPPCC] leaders prior to the opening of the Third Session of the Eighth CPPCC National Committee.

Jiang Zemin, general secretary of the CPC Central Committee and state president, warmly shook hands and exchanged greetings with CPPCC vice chairmen and other leading comrades already in the lounge. Holding Vice Chairman Su Buqin's hands, Jiang Zemin said: You are still in very good health as before. Su Buqing replied: I am already 93 and my hair has almost gone. Jiang Zemin joked: It must be caused by the excessive use of your brain. He then went to Vice Chairman Rong Yiren, who was seated on the last row, and warmly asked him to come to the front seat.

After extending greetings to various leaders, Jiang Zemin told reporters: CPPCC session has always been important. I believe this year's session will be more successful. The current situation at home and abroad is very good. The country's work in every field will benefit greatly if

CPPCC members give their ideas, make suggestions, and pool their wisdom and efforts.

As soon as entering the lounge, Premier Li Peng held his hands together in a gesture of greeting to the people there.

In an interview with reporters, Chairman Qiao Shi urged CPPCC members to make suggestions, bring democracy into full play, and help make work in every area successful.

Vice Premier Zhu Rongji arrived in the lounge earlier. When asked about economic matters by reporters, he urged CPPCC members to give suggestions on ways to curb inflation.

As host of the current session, Chairman Li Ruihuan expressed his pleasures at the fact that everyone has come for the session. He shook hands and exchanged greetings with them.

About 1500 hours, the time for the opening of the session, Li Ruihuan walked them to the rostrum.

Jiang Zemin, Li Peng Meet With CPPCC Leaders

OW0603042695 Beijing Central People's Radio Network in Mandarin 1030 GMT 3 Mar 95

[From the "National Hookup" program]

[FBIS Translated Text] A farm atmosphere prevailed in a lounge of the Great Hall of the People this afternoon when leaders of the party and the state cordially met with leaders of the Chinese People's Political Consultative Conference [CPPCC] before the Third Session of the Eighth CPPCC officially began.

Jiang Zemin, general secretary of the CPC and president of the PRC, cordially shook hands with and extended greetings to some vice chairmen of the CPPCC as well as leading comrades.

Holding Su Buqing's hands, Jiang Zemin said: You are still in very good health. Su Buqing replied that he is already 93 years old, with his hair almost gone. Jiang Zemin said humorously that it is because he uses his brain.

Jiang Zemin went to Vice President Rong Yiren who was seated in the back row and warmly invited him to sit in the front.

After Comrade Jiang Zemin shook hands with and extended greetings to all participating comrades, he told the reporters who were present that the annual meeting of the CPPCC is an very important one. He believed that this year's meeting will be even more successful. He said: Current international and domestic situations are very good. As far as the CPPCC is concerned, it plays an important role in helping the state in all aspects because its members always come up with good ideas that are beneficial to the state.

On entering the lounge, Premier Li Peng saluted with hands folded and raised in front of his face. He happily extended greetings to all the representatives present.

When talking to the reporters, Chairman Qiao Shi said that he hoped all the representatives would raise various opinions and fully carry forward the democratic spirit so that the work in all aspects will be performed better.

Vice Premier Zhu Rongji, who arrived at the lounge earlier, said that he hoped CPPCC members would provide suggestions on how to curb inflation.

Chairman Li Ruihuan, who presided over the meeting later today, said that he was very pleased see all the representatives attended the meeting. He shook hands with all the people in the lounge.

At three o'clock in the afternoon when the time was due for the meeting, Li Ruihuan accompanied Jiang Zemin and other comrades up to the rostrum.

Greet New Members

OW0603043795 Beijing Central Television Program One Network in Mandarin 1100 GMT 3 Mar 95

[From the "National News Hookup" program]

[FBIS Translated Text] This [3 March] morning, following the opening ceremony of the Third Plenary Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee, Li Ruihuan, member of the CPC Central Committee Political Bureau Standing Committee and chairman of the CPPCC National Committee; and Ye Xuanping, Wu Xueqian, Yang Rudai, and Wang Zhaoguo, vice chairmen of the CPPCC National Committee, had a cordial meeting with the 23 newly elected CPPCC National Committee members, and had a group picture with them [video shows medium close-ups of Li Ruihuan, Wu Xueqian, and Ye Xuanping shaking hands with the newly-elected members. In the group picture, Li Ruihuan is seen standing in the middle of the front row, with Ye Xuanping and Yang Rudai on his left and Wu Xueqian and Wang Zhaoguo on his right].

More on Meeting Members

OW0403131195 Beijing Central People's Radio Network in Mandarin 1030 GMT 4 Mar 95

[From the "National Hookup" program]

[FBIS Translated Text] Jiang Zemin, general secretary of the CPC Central Committee, and Liu Ruihuan, chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee, visited Wuzhou Hotel this afternoon to attend group discussions as well as to listen to opinions and suggestions of the CPPCC National Committee members attending the Third Session of the Eighth CPPCC National Committee.

At the Democratic League group, member Wu Xiuping suggested that some central and local units are enthusiastic about having meetings in the coastal region, thus exerting great pressures on the coastal open areas. He expressed the hope that departments concerned would hold fewer meetings there.

No sooner had Wu Xiuping finished his suggestion than Chairman Li Ruihuan said: This is an excellent idea.

Comrade Jiang Zemin stopped taking notes and endorsed the suggestion, adding that holding too many meetings in the coastal region have brought untold hardships to comrades there. He said: In view of the widening disparity between the central and western regions and the coastal region, I believe that some meetings can be held in the central and western regions so as to offer ideas to them and help them accelerate their economic development and social progress there.

Jiang Zemin, Li Ruihuan Attend CPPCC Group Talks

OW0403141595 Beijing Central People's Radio Network in Mandarin 1030 GMT 4 Mar 95

[From the "National Hookup" program]

[FBIS Translated Text] General Secretary Jiang Zemin and Li Ruihuan, chairman of the Chinese People's Political Consultative Conference [CPPCC] National Committee, went to the International Conference Center this afternoon to call on CPPCC members attending the Third Session of the Eighth CPPCC National Committee. They also took part in group discussions of the China Democratic League [CDL] and the China Democratic National Construction Association [CDNCA] and heard the members' views.

Jiang Zemin pointed out in his speech: The patriotic united front under the CPC's leadership was a major magic weapon that helped us win the revolutionary war. It remains an essential magic weapon in building socialism with Chinese characteristics today. We must continue to use this magic weapon well.

The Third Session of the Eighth CPPCC National Committee that opened yesterday conducted group discussions to examine the work report delivered by Ye Xuanping on behalf of the Standing Committee. At the CDL and CDNCA group discussions, members had heated discussions on CPPCC work in the past year. Jiang Zemin listened attentively to CPPCC members views and jotted down key points from their remarks.

At the two group discussions, Comrades Jiang Zemin and Li Ruihuan heard speeches by committee members (Jiang Jinbo), (Wu Xiuping), and (Liu Shiba). The committee members freely discussed the CPPCC National Committee's work in the past year, describing CPPCC work since the Second Session of the Eighth CPPCC National Committee as "having changes and a new spirit year after year." They said that the CPPCC

should focus on the state's central tasks in its participation in the deliberation and administration of state affairs; subject itself to and serve the overall interest of party and state work; do a good job in political consultation, democratic supervision, and participation in the deliberation and administration of state affairs; and perform more solid services for reform, opening up, and the modernization drive.

After hearing the committee members' speeches, Jiang Zemin said: CPPCC work is an integral part of overall party and state work. It is hoped that CPPCC organs and members at all levels will conscientiously perform their functions of political consultation, democratic supervision, and participation in the deliberation and administration of state affairs; make greater efforts in promoting unity with the masses, reflecting the views and suggestions of all quarters; and make suggestions in regard to reform, opening up, and the modernization drive.

Speaking of the current situation, Jiang Zemin stressed: On balance, the situation at home and abroad is excellent. We have scored great achievements and the problems arising in the march forward are surely surmountable. So long as we adhere to Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics and the party's basic line, make unremitting efforts in safeguarding and enhancing party unity and unity of all nationalities across the country, and steadfastly concentrate on pushing forward the national economy, we will triumphantly march toward the 21st century and withstand the test of all hazards and difficulties. Li Ruihuan said: The CPC Central Committee cares very much about the work of the CPPCC and democratic parties. If there has been noticeable progress in our work, it is achieved under the CPC Central Committee's care and support. In the future, under the leadership of the CPC Central Committee, we should make a greater success of the work of the CPPCC and democratic parties above what has already been achieved.

CPPCC National Committee vice chairmen, including Wu Xueqing, Wang Zhaoguo, Qian Weichang, Su Buqing, Wan Guoquan, and Secretary General Zhu Kun, attended the two group discussions.

CPPCC Members Discuss Work Report

OW0403143795 Beijing XINHUA in English 1419 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—General Secretary Jiang Zemin of the Chinese Communist Party (CPC) today joined group discussions with members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC), exchanging views with them on state affairs and the development of the united front work.

The patriotic united front under the leadership of the Chinese Communist Party was a great treasure during the war times, Jiang said. "It is still a treasure for

building socialism with Chinese characteristics. We must always cherish and better use this treasure," he said.

The CPPCC, the country's top political advisory body, opened its annual plenum Friday [3 March], two days before the opening of the session of the National People's Congress (NPC). The CPPCC members had heated discussions today on the work report delivered by CPPCC Vice-Chairman Ye Xuaping and shared views on how to better deliberate and participate in state affairs.

Together with CPPCC Chairman Li Ruihuan, the general secretary attended discussions of the groups of the Chinese Democratic League and the China Democratic National Construction Association, two non-communist parties of the country.

The CPPCC members voiced the hope to do more practical work in the future for reform, opening up and construction, centering around the key tasks of the country.

After taking notes carefully, Jiang Zemin encouraged the CPPCC at different levels and their members to play well their roles and do more work to unite the broad masses and give full play to the initiative of the people. And he also hoped they would air more views and suggestions on various aspects and contribute ideas to the country's reform, opening up and economic development.

Jiang said that any kinds of difficulties and problems in the course of progress can be overcome on the condition that firm measures be taken and unremitting efforts be made to unite the whole party and the Chinese people and to promote national economy.

Chairman Li Ruihuan urged CPPCC members to unite further and learn from each other and do better their work under the leadership of the Chinese Communist Party.

Hu Jintao Attends CPPCC Group Discussion Meeting

OW0603043995 Beijing Central People's Radio Network in Mandarin 1030 GMT 5 Mar 95

[From the "National Hookup" program]

[FBIS Translated Text] Hu Jintao, member of the Political Bureau and member of the Secretariat of the CPC Central Committee, this afternoon went to the Jinfeng Guesthouse to attend a group discussion meeting of the Third Session of the Eighth National Committee of the Chinese People's Political Consultative Conference. He heard opinions and suggestions put forward by the representatives of the All-China Federation of Trade Unions and the All-China Women's Federation concerning the government's work report as well as the state's major policies and principles.

Also attending the group discussion meeting were Ni Zhifu and Qian Zhengying.

More on Group Discussion

OW0503151195 Beijing XINHUA in English 1506 GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—To enliven the large and medium-sized State-owned enterprise is a difficult task in deepening economic restructuring and is also critical for maintaining a sustained, fast and healthy economic development of the country, a top Chinese official said here today.

Hu Jintao, member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China (CPC) and member of the Secretariat of the CPC Central Committee, made the remark when he took part in the group meetings of the members of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) who are attending the current third session of CPPCC National Committee.

At the group meeting of All-China Federation of Trade Unions, Hu said that the problems encountered by State-owned enterprises were unavoidable in the course of shifting from planned economy to socialist market economy.

He said that he believed that these problems could be solved gradually by deepening the reform and changing the operation mechanism.

He emphasized that workers are the main force to promote reform and economic construction. He expressed the hope that the trade unions could explore new work methods under the new situations by coordinating the labor relations and safeguarding the workers' legal rights and interests.

At the group meeting of All-China Women's Federation, Hu expressed the hope that the women members could take it as their unshirkable duty to air the women's needs and wishes and protect the women's legal rights and interests.

Zhu Rongji Attends CPPCC Group Meeting

OW0503143095 Beijing XINHUA in English 1402 GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—Chinese Vice-Premier Zhu Rongji said here today he was confident that China would be able to meet its targets in economic development and macro-control.

Zhu Rongji, also a member of the Standing Committee of the Political Bureau of the Central Committee of the Communist Party of China, said this at a group meeting held by members of the Chinese People's Political Consultative Conference (CPPCC) National Committee from the economic sectors.

Zhu affirmed the progress made in economic restructuring last year, made a practical analysis of the price hikes and explained the policies and measures taken by the CPC Central Committee and the State Council.

Zhu gave importance to the views of the CPPCC members at the group meeting.

Most of the members were concerned with inflation and the performance of large and medium-sized State-owned enterprises. They analyzed the reasons for the inflation and the slow pace of development of state-owned enterprises, and gave their views on how to solve these problems.

Li Ruihuan at Banquet for Hong Kong Delegates

*OW0503141695 Beijing XINHUA in English 1333
GMT 5 Mar 95*

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—The General Office of the National Committee of the Chinese People's Political Consultative Conference (CPPCC) and the United Front Work Department of the Chinese Communist Party Central Committee gave a banquet this evening in honor of the more than 140 deputies to the National People's Congress and CPPCC National Committee members from Hong Kong and Macao.

Li Ruihuan, a Standing Committee member of the Political Bureau of the Party Central Committee and Chairman of the CPPCC National Committee, attended the banquet. Ye Xuanning, vice-chairman of the CPPCC National Committee, spoke at the banquet.

The banquet was presided over by Wang Zhaoguo, vice-chairman of the CPPCC National Committee and head of the United Front Work Department of the Party Central Committee.

In his speech, Ye Xuanning praised NPC deputies and members of the CPPCC National Committee from Hong Kong and Macao for their efforts to promote the reform, opening up and the modernization drive, help maintain stability and long-term prosperity in Hong Kong and Macao, and promote the peaceful reunification of the motherland.

He said that the eight point proposal on promoting China's peaceful reunification put forward by Chinese President Jiang Zemin recently has won support from compatriots in Taiwan, Hong Kong and Macao, overseas Chinese and all far-sighted people cherishing China's reunification.

He expressed the hope that NPC deputies and CPPCC National Committee members from Hong Kong and Macao will, as always, contribute to accelerating reform and development, and promoting China's reunification and invigoration of the Chinese Nation.

Also speaking at the banquet were Ma Man-Kei, vice-chairman of the CPPCC National Committee, and Tsui

Sze Man, member of the Standing Committee of the CPPCC National Committee.

Beijing, Other CPPCC Officials Brief Reporters

OW0403140295 Beijing Central People's Radio Network in Mandarin 1030 GMT 4 Mar 95

[From the "National Hookup" program]

[FBIS Translated Text] The Press Center for the Third Session of the Eighth Chinese People's Political Consultative Conference [CPPCC] National Committee gave a news briefing at the Guoji Hotel this afternoon. Wang Daming, chairman of the CPPCC Beijing Municipal Committee; Chen Tiedi, chairman of the CPPCC Shanghai Municipal Committee; and Lu Maozeng, chairman of the CPPCC Shandong Provincial Committee, fielded reporters' questions centering around the role of the CPPCC local committees in promoting the construction of socialist democracy.

The three CPPCC local committee chairmen briefed reporters about the CPPCC's work in Beijing, Shanghai, and Shandong last year in light of the CPPCC local committees' special role, as well as their unique work in reflecting public opinion, fighting corruption and promoting clean government, exercising democratic supervision, dissolving contradictions, and enhancing unity.

Further on Briefing

*OW0403145495 Beijing XINHUA in English 14/3
GMT 4 Mar 95*

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—The local committees of the Chinese People's Political Consultative Conference (CPPCC) are playing an important role in local economic construction and social progress.

China now has nearly 3,000 CPPCC organizations at the county, city and provincial levels, with a total membership of 477,000.

In a joint press conference here today, Wang Daming, chairman of the Beijing Municipal Committee of the CPPCC, Lu Tiedi, chairman of the Shanghai Municipal Committee of the CPPCC, and Lu Maozeng, chairman of the Shandong Provincial Committee of the CPPCC, answered questions concerning the role of their respective committees.

The three chairmen are attending the Third Session of the Eighth National Committee of the CPPCC in Beijing.

Wang said that his Beijing committee directly participates in making policy decisions by the Beijing Municipal Committee of the Communist Party of China (CPC) and the Beijing Municipal Government, conducts investigations in line with the government work and on hot topics with which local residents are concerned and makes proposals to the municipal government.

In the past two years, Wang said, his committee has made investigations on 50 topics, including the invigoration of major State-owned enterprises, the construction of comfortable housing projects, and the reform of government-funded medical care system.

It has submitted more than 20 proposals concerning these issues to the municipal government.

Besides, it also submits more than 700 motions concerning the reform and economic construction to the government every year.

In practice, Wang said, the proposals made and opinions aired by the members of the Beijing Municipal Committee of the CPPCC have become a very important basis on which the government makes policy decisions.

Lu Tiedi said that his Shanghai committee regularly holds seminars on special topics and public lectures to enable committee members to make better proposals on major matters.

"We also try to bring the role of various special committees into full play and arouse the initiative of the members of such committees," he said.

Asked how the Shandong committee performs its functions to accomplish the central task of economic construction, Lu Maozeng said that his committee organizes its members to provide consultancy services and help bring in overseas investment.

Preliminary statistics showed that the committee members have helped undertake 80 foreign-funded projects in Shandong and have helped bring in 1.6 billion yuan in foreign funds over the past two years.

Moreover, the Hong Kong members of the Shandong Provincial Committee of the CPPCC have spent 30 million U.S. dollars building 50 enterprises in the province.

Taiwan Urged to Take Reunification Action OW0503141895 Beijing XINHUA in English 1226 GMT 5 Mar 95

[FBIS Transcribed Text] Beijing, March 5 (XINHUA)—The Taiwan authorities were urged again here today to take concrete action for China's peaceful reunification.

At a press conference held by the National Committee of the Chinese People's Political Consultative Conference here this afternoon, three CPPCC leaders stressed the urgent need to break the deadlock and end hostile confrontation between the two sides of the Taiwan Straits at the earliest possible time.

There has been a big increase in the visits by Taiwan compatriots to the mainland in recent years, said Zhang Kehui, Chairman of the All-China Federation of Taiwan Compatriots. Last year, more than one million people from Taiwan came to the mainland to travel or visit their relatives, or do business.

But they all had to come via Hong Kong and other regions, since the two sides have so far had no direct exchange of mail service, trade, air and shipping services.

Wan Guoquan, vice-chairman of the CPPCC National Committee, said that the lack of direct exchange indicates to the fact that hostility still remains. "Exchange of air and shipping services can take place even between two countries without diplomatic ties," he said. "But now within one country, we still cannot visit each other through direct routes. It is obviously hostility which has blocked the way," said Wan.

To dissolve hostility, both sides have to sit down and discuss reunification issues on the condition that there is only one China, he said.

Wan also said that he and other CPPCC officials wish to visit Taiwan to promote peaceful reunification.

CPPCC Delegates 'Not Consulted' on Reform Measures

HK0503050095 Hong Kong SUNDAY HONGKONG STANDARD in English 5 Mar 95 pp 1, 2

[By M Y Sung in Beijing]

[FBIS Transcribed Text] China's top consultative body has been criticised for failing to attach importance to the views of Hong Kong members on how to reform the mainland's political and legal systems.

The local representatives to the Chinese People's Political Consultative Conference (CPPCC) also claimed that the China-appointed Preliminary Working Committee (PWC) had never consulted them on matters concerning the transition of sovereignty over the territory.

During the open-group discussion on the first day of the conference, Hong Kong members spoke about their concerns regarding the powers and functions of the top consultative body.

The discussion focused on the CPPCC's standing committee work report delivered by its vice-chairman, Ye Xuanping, at the opening of the conference on Friday.

Mr Ye's report praised the consultative body's contributions to national policymaking, saying that more than 2,000 of its proposals in the past three years had been accepted for further study or implementation.

However, Kenneth Chow, a local member attending the conference, said most of the proposals were being changed during implementation.

He added that proposals tabled by Hong Kong members were mostly being neglected.

"Chinese political leaders do not attach much importance to Hong Kong members' proposals," he said.

"Although we have put forward quite a number of proposals, I find that no significant result has been achieved." Mr Chow, a lawyer, said he and another member, Tsui Sze-min, last year proposed the setting up of a legal system but it was largely ignored.

He said it seemed extremely difficult to follow up proposals affecting Chinese political or legal systems.

Another member, Tommy Wan, also questioned whether the CPPCC could effectively function as a consultative body as Mr Ye stated.

His report said the charter of the CPPCC had been revised authorising it to be involved not only in political consultations and democratic supervision but also to participate "in deliberation and administration of state affairs".

Mr Ye said the state and the regions should consult with the CPPCC on decisions concerning important policies.

However, Mr Wan said PWC members working on the territory's transitional affairs had never consulted the Hong Kong members of the CPPCC.

"We have very little knowledge about what the PWC has done," Mr Wan said.

"Mostly we just get information regarding the PWC from news reports," Mr Wan said. "As the member of the country's top consultative body, we should have the power to know and make suggestions to the PWC."

He said the PWC should respect the CPPCC and consult with them before proposals were made on the post-1997 Hong Kong government.

Mr Wan said the CPPCC should not be ignored and must be allowed to play an important role and be treated just like the various pro-China forces, such as the National People's Congress (NPC), the PWC, Hong Kong advisers and district affairs advisers.

Mr Chow agreed with Mr Wan, saying there was a lack of communications between different pro-China forces and that some of them had been trying to exclude those they disliked.

The official Xinhua News Agency, which has a branch in Hong Kong, was criticised for failing to act as a bridge among pro-China forces.

Mr Chow urged the setting up of an open channel through which Hong Kong members could relay their opinions to Beijing. He said this would prevent nepotism.

He said the consultations done by Xinhua on the selection of candidates for the future Special Administrative Region government were insufficient and one-sided.

Lee Chojat, a member of both the CPPCC and the PWC, conceded that the pro-China forces were split. But he said he believes the "unification of patriots" to ensure a

smooth transition of sovereignty should start among the pro-China forces themselves.

"If our pro-China forces are split, how can we talk about unification with the people of Hong Kong?" Mr Lee asked.

Xinhua assistant director Lee Wui-ting, who is also a PWC member, said the three Xinhua regional offices and the PWC's communication office in Hong Kong had done a lot of work to link up with the people of the territory.

He said the PWC had held more than 80 seminars in the past year while Xinhua organised about 40 meetings.

He said the work of the PWC should not be difficult to understand as some PWC members were also NPC or CPPCC members.

Political & Social

'Source' Says Deng, Jiang Oppose Each Other

OW0303140695 Tokyo YOMIURI SHIMBUN in Japanese 3 Mar 95 Morning Edition p 4

[By Toshiaki Arai]

[FBIS Translated Text] Beijing, 2 Mar—According to a well-informed source in Beijing, China's supreme leader Deng Xiaoping and Jiang Zemin, Deng's successor and CPC general secretary, are opposed to each other over the issue of guiding the military leadership. The source also said that feeling a sense of crisis, Jiang is on the offensive by taking advantage of the worsening condition of Deng's health. With this in the background, Jiang ousted an influential economist, who has close ties with the Deng family, from his post and is keeping distance from Deng Xiaoping, said the source.

According to the same source, Chinese military leaders are dissatisfied with the fact that Jiang meddles even with daily military matters and informed Deng of their dissatisfaction last fall. Although Jiang is chairman of the Central Military Commission [CMC], the reality is that he has no firm control of the military. To consolidate his position as Deng Xiaoping's successor, Jiang tried to strengthen his leadership in the military. But, the military leaders kept a distance from him, saying that his actions are "too conspicuous."

After hearing complaints from the military leaders, Deng—by citing a case in which Mao Zedong, who was also chairman of the CMC, entrusted daily military management to Peng Dehuai and Lin Piao (who were defense ministers)—admonished Jiang to follow in Mao Zedong's footsteps. Reportedly, Jiang has not attended regular CMC meetings since then.

Because of this admonition from Deng, Jiang felt a sense of uncertainty about his future and was looking for a chance to strike a blow at Deng to display his power, according to the same source. Deng was temporarily in

critical condition from the end of last year to the beginning of this year. His condition became worse. Without missing this opportunity, Jiang, on the strength of a just cause to sweep away corruption, decided to oust Zhou Guanwu, chairman of the "Capital Iron and Steel Corporation" which is China's largest industrial group, from his post and arrest his first son Zhou Beifang for "economic offenses." Zhou and his son have close relations with Deng and his children.

Externally, Standing Committee members of the Political Bureau, who form the CPC's supreme leadership, support Jiang as a "core" of the leadership. Reportedly, Jiang is paying close attention to bringing Qiao Shi, chairman of the National People's Congress Standing Committee and the number three man in China, to his side. It is also said that Jiang gets support from both Premier Li Peng and Deputy Premier Zhu Rongji by having them compete with each other in becoming Jiang's right-hand man.

Jiang Zemin Denies Link Between Arrests

*HK0403080295 Hong Kong WEN WEI PO in Chinese
4 Mar 95 p A2*

[Dispatch by WEN WEI PO reporter team: "Jiang Zemin on Zhou Guangmu Issue"]

[FBIS Translated Text] Beijing 3 Mar (WEN WEI PO)—On the issue of Zhou Guanwu's removal from office as director of the Shougang board, Jiang Zemin indicated at a meeting today that Zhou Guanwu is already an old man of 75 and that his transfer is normal. As for Zhou Guanwu's son, who has violated the law, it is also normal for law enforcement organization to detain him for interrogation. Jiang said emphatically that the removal of Zhou Guanwu from office was very natural and had nothing to do with Zhou Beifang's criminal case.

Another source said that the Beijing delegation to the Third Session of the Eighth National People's Congress was formed today. Zhang Jianmin, chairman of the Beijing Municipal People's Congress Standing Committee, heads the delegation, while Tao Dayong, Huang Chao, Zhou Guanwu, and Tao Xiping are deputy heads.

Qiao Shi Inspects Panzhihua, Sichuan 16-19 February

HK0503050895 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 20 Feb 95

[FBIS Translated Excerpt] During a recent inspection of Panzhihua City, Qiao Shi, member of the Standing Committee of the CPC Central Committee's Political Bureau and chairman of the National People's Congress, stressed the need to carry on the spirit of self-reliance and hard struggle in construction and development, to be bold in raising new ideas and putting them to practice, and to make great efforts for state-owned enterprise reform.

Qiao Shi inspected Panzhihua City from 16 to 19 February in the company of Secretary Xie Shijie, Deputy Secretary Song Baorui, and Vice Governor Ma Lin. He listened to briefings on Panzhihua's achievements in construction as well as in economic and social development. He also visited the second-phase project of the Panzhihua steel factory and the Ertan hydropower station.

In February 1988, Qiao Shi had been to Panzhihua for inspection. He felt there had been great changes here in the last seven years, so he happily said: Panzhihua is known throughout the world for its rich natural resources. Through 30 years of development and construction, as a modernized industrial base, it has acquired a certain foundation and possessed great potential for development. I hope that from now on it will continue to display the spirit of hard struggle, bring its strong points into full play, deepen reform, widen the scope of opening up, and devote great efforts to construction. Panzhihua will see greater development. This will produce an important impact on the development and construction of China's southwestern region. [passage omitted]

Qiao Shi Meets Sichuan Presidium Members

HK0503051295 Chengdu Sichuan People's Radio Network in Mandarin 2300 GMT 20 Feb 95

[FBIS Translated Excerpt] On the morning of 20 February, Qiao Shi, member of the Standing Committee of the CPC Central Committee's Political Bureau and chairman of the National People's Congress [NPC], met all members of the presidium of the Third Session of the Eighth Sichuan Provincial People's Congress in Chengdu's Jinniu Hotel, accompanied by Xie Shijie, Xiao Yang, Yang Xizong, and Nie Ronggui.

[Begin recording] [Unidentified speaker] Comrades: This time NPC Chairman Qiao Shi made a special trip to Panzhihua City for inspection. He will return to Beijing tomorrow. We have briefed him on the progress of the current provincial people's congress session. [passage omitted] Now let us invite him to speak. [applause]

[Qiao Shi] Comrades and chairmen of the presidium: I arrived here yesterday. I was told that the Third Session of the Eighth Sichuan Provincial People's Congress is being held now. Secretary Xie asked me to speak to everyone here, and of course I could not refuse. I am very happy to have the opportunity to attend this session. I have heard that the provincial government work report has been discussed and that everyone has basically reached a unanimous understanding. This is good. There is still an electoral issue on the agenda. I believe that under the leadership of the provincial party committee, this election will turn out successfully after the deputies' full deliberation and discussion. I wish the current provincial people's congress session a satisfactory success. Comrades of the presidium: please convey my

sincere regards and wishes to all the deputies. That is all what I have to say. [applause]

[Reporter] After the speech, Qiao Shi happily took a group photograph with members of the presidium. [passage omitted on names of other participants]

Ding Guangen Views Role of Party Newspapers

OW0503000195 Beijing XINHUA Domestic Service in Chinese 0943 GMT 26 Feb 95

[FBIS Translated Text] Beijing, 26 Feb (XINHUA)—A symposium on the work of party newspapers was held in Beijing from 15 to 25 February and was attended by chief editors of party newspapers of all provinces, autonomous regions; and municipalities directly under the jurisdiction of the central authorities. Ding Guangen, member of the Political Bureau and Secretariat and head of the Propaganda Department of the CPC Central Committee, attended the symposium to hold discussions with participants, and he also gave a speech. Ding Guangen expressed his hope that party newspapers will become more authoritative and become influential newspapers in providing guidance with greater attractiveness and that they will be loved by the broad masses of readers.

The main topics of the symposium, which was sponsored by the Propaganda Department of the CPC Central Committee, were to further run well party newspapers at the provincial level under the new situation, to implement the task of "guiding people with correct public opinion" put forward by the party Central Committee, to serve people and socialism in a better way, and to serve the general task of the whole party and country under the fundamental guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the general guidelines of the party Central Committee concerning the guiding ideology, policies, and principles for propaganda and ideological work.

During the 10-day meeting, chief editors from various localities held serious discussions on how to give full play to the advantages of provincial-level party newspapers in using their positions and functions and how to improve the propaganda work of party newspapers. The participants held that since the convocation of the 14th CPC Central Committee, propaganda and ideological work has achieved new progress in various regards under the leadership of the party Central Committee with Comrade Jiang Zemin as the core. The new situation of reform, opening up, and modernization has provided favorable conditions for the development of press work and has also placed great demands on press work. Party newspapers must meet the needs of the developing situation, adhere to the correct orientation, strengthen guidance, bolster their authoritativeness, increase their readability, seriously implement the task of "guiding people with correct public opinion" in a solid manner,

and create a favorable public opinion for reform, opening up, and socialist modernization.

In his speech, Ding Guangen fully affirmed the achievements attained by various party newspapers in their work. He pointed out: Paying attention to press work and attaching importance to developing the role of party newspapers are successful experiences of our party in leading revolutionary and construction work. Party newspapers are an important component of the work of our party, and they are also a bridge for maintaining close links between the party and the people. It is hoped that under the guidance of the party Central Committee and the leadership of party committees of various provinces, autonomous regions, and municipalities, party newspapers will become more attractive, more authoritative, more influential, and more popular newspapers loved by the masses. They should become newspapers that can effectively promote economic construction, reform and opening up, unity and stability, party building, and the construction of a spiritual civilization and a legal system.

In touching on how to further improve press work and run well party newspapers, Ding Guangen expressed his views on 12 points, namely maintaining unanimity, going deep among the masses, being correct and colorful, having appropriate "intensity" in coverage, providing guidance on hot issues, supervising work concerning public opinion, publicizing typical examples, promoting the unity of forces, deepening reform, strengthening management; training and promoting more capable people, and being duty-bound in protecting our country.

Ding Guangen pointed out: Using Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics to guide the overall press work, adhering to the party's basic line, correctly publicizing the guidelines of the party Central Committee, firmly defending the authority of the party Central Committee, ensuring the smooth implementation of government orders, and consciously maintaining unanimity with the party Central Committee in terms of ideology, the political line, and action are the concrete demonstrations of press work's adherence to party spirit and principles and are also basic duties and a political discipline which must be observed by party newspapers. To run well party newspapers, the concept of the overall situation is particularly important. When we think of problems and do things, we must take the overall situation into consideration and base things on the overall situation. In propaganda work, the orientation, basic point, and contents must reflect and serve the overall situation. We must seriously understand and grasp the guidelines and work arrangements of the party Central Committee, understand the overall situation, combine theory with practice, and integrate the thinking of the broad masses of cadres and people with the party's line, principles, and policies.

Ding Guangen said: Our newspapers are the party's newspapers and also the masses' newspapers. To gain

more readers, increase circulation, and expand their influence, party newspapers must fully reflect the masses' viewpoints in newspapers' guiding ideology, work methods, and contents. Comrade Jiang Zemin repeatedly stressed that journalists must go deeper and deeper among the masses. Going deep among the masses, plunging into the thick of life, and going deep into the realities of life have become the keys to raising the quality of our party newspapers. We should strive to foster a good style and have our reporters and editors maintain the most frequent and most direct contacts with the masses so as to obtain firsthand material from the realities of life.

Ding Guangen pointed out: Correctness, colorfulness, and liveliness are the basic demands for doing press reporting well. Truth and correctness are the life of news. Party newspapers must wholly and correctly publicize the party's theory, line, principles and policies; give full expression to the people's interests, desires, and demands; and penetratingly reflect the nature and main trends of social life. News reporting should adhere to principles, have a clear-cut stand, and provide correct guidance for the people. We should improve our literary style, expand the amount of information, advocate the publication of short pieces of news, be good in learning the masses' language, and use the masses' words to describe the masses' stories. News and propaganda work should maintain an appropriate "intensity" in their reports. We should persist in using dialectic materialism and observe things and analyze problems with a comprehensive, integrating, and developing viewpoint [quan mian,lian xi, fa zhan di guan dian—0356 7240 5114 4762 4099 1455 4104 6034 7820].

Ding Guangen said: Party newspapers should be good at providing guidance on hot issues. The purpose is to explain things, remove doubts, raise and enhance understanding, calm people's minds, point out errors, encourage healthy trends, improve work, and strengthen unity. In providing guidance on hot issues, we should select good subjects, make correct and appropriate reports, adopt various types of reports, and give clear conclusions to benefit the people.

On the question of supervising work concerning public opinion, Deng Guangen said: Correctly supervising work concerning public opinion is an important part of party newspapers' efforts to strengthen their authoritativeness and fighting capability. To supervise work concerning public opinion, we must have the spirit of being fully responsible to the party and the people with a view to improving our work, solving problems, promoting unity, and maintaining stability.

Ding Guangen said: Our cause is one full of vitality, and our era is one for creating a large number of advanced people. Giving full play to the stimulating and guiding role of advanced typical examples is a successful experience of news and propaganda work, and it is also an effective way to promote unity and stability, to heighten

spirit, and to publicize positive things and the main theme. At present, we should pay particular attention to discovering and publicizing typical examples of seriously implementing the guidelines of the party Central Committee and consciously protecting and serving the overall situation. We should publicize typical examples of deepening reform, increasing efficiency, and developing the economy, especially typical examples of improving the work of state-owned enterprises and strengthening agricultural work. We should publicize typical examples of hard struggle and doing all things industriously and thrifitily. We should publicize typical examples of performing official duties honestly and diligently for the people, showing concern for the living conditions of the masses, and doing practical things for the masses. We should publicize typical examples of those workers, peasants, fighters, intellectuals, and cadres who promote and carry forward the 64-character pioneering spirit in the new period [put forward by Jiang Zemin at the First Session of the Eighth National People's Congress], and encourage the masses to plunge themselves into reform and construction in a better way. As for important propaganda and reporting, various news media should coordinate closely and work with concerted efforts to give full play to their roles and contrast finely with each other.

Ding Guangen pointed out: Reform of journalism is an important motive force in promoting the vigorous development of news work. Since the Third Plenary Session of the 11th CPC Central Committee, our country's news work has been developing rapidly. Linked closely with constant reforms, great improvements have been made in guiding ideology, media structure, management, operational system, and ways and methods of propaganda. Concerning the reform of journalism, we should emancipate our minds, seek truth from facts, explore things in a positive manner, and make hard efforts to further promote the reform. We should learn and borrow beneficial experiences from abroad. Our reform should be carried out under the guidance of Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics, suit the need of developing a socialist market economy, suit the need of developing socialist democratic politics, meet the requirement of building socialist spiritual civilization, and be in accord with the law of development and special features of news work.

In his speech, Ding Guangen also talked about the issue of macro-control of news work. He pointed out: Macro-control means only control major issues. It is to set rules, establish system and organization, and administer work in a scientific manner according to the law. News units should strengthen internal management, and establish and improve the work post responsibility system and operational system. It is necessary to cultivate a contingent of distinguished reporters and editors who adhere to the correct political orientation, reflect life in a penetrating manner, and are loved by the masses.

In conclusion, Ding Guangen said: We must, under the leadership of the party Central Committee with Comrade Jiang Zemin at the core, unite and make progress, work hard in a solid manner, and concentrate efforts to further improve the quality of papers.

During the session of the symposium, chief editors also heard a report by a responsible comrade of a concerned central department on special subjects; visited RENMIN RIBAO, XINHUA NEWS AGENCY, and GUANGMING RIBAO; and exchanged operational experiences with principal central news units.

Fresh CPC Efforts To Tighten Control Over Media

HK0603011095 Hong Kong MING PAO in Chinese 21 Feb 95 p B1

[“Newsletter From Beijing” by special correspondent Li De-sheng (2621 1795 9524): “Beijing Strengthens Its Control Over Media, and Official Press Is No Exception”]

[FBIS Translated Text] The CPC top echelon has tightened control over the media in an overall way since the beginning of this year. Some major central newspapers came under frequent criticism, and some senior leading members of certain newspaper offices were removed from office simply because of one or two articles, a well-informed figure in Beijing disclosed.

GONGREN RIBAO [Workers' Daily], sponsored by the All-China Federation of Trade Unions, used to rank second in circulation of all national newspapers in China, next only to RENMIN RIBAO [People's Daily]. There was a special page, called “Voices From Society,” devoted to public opinions that specialized in some theoretical articles of an exploratory nature. The page was terminated by an order from the Central Propaganda Department not long ago, while the GONGREN RIBAO responsible person has been asked to make repeated self-criticisms.

It was learned that the cause of the incident was that earlier the page carried an article entitled “Let Workers and Staffers Possess the Power To Obtain Surplus—Simultaneously Discussing the Orientation of Reform of Property Rights of Small State-Owned Enterprises,” in which it said that during the period of the planned economy, the state possessed all enterprise profits, while a low living standard for the enterprise's workers and staffers was guaranteed but with comparatively complete social welfare. But now, with market economic reforms going on, the state no longer provides workers and staffers with such social welfare as medical care and pensions, so it should return rights and interests to the enterprise's workers and staffers, and allow them to claim payment for part of their past “contributions.” In addition, the article stated that the fundamental way to resolve this issue is privatization of the enterprise.

The page carried another article with a poll as its content, entitled “How Does the Public Assess the Conditions of China's Social Operations?” The subheads of the article were: “Not Quite Harmonious Social Relations,” “Comparatively Confused Social Order,” and “Fairness Is Called For in Social Competition.” These two articles were discovered by the Central Propaganda Department Press Monitoring Group and an order was instantly issued to suspend the “Voices From Society” page, while relevant personnel and leading members were ordered to make “thorough self-criticism.” Whether it was unintentional or intentional confrontation, another issue of the page emerged in the wake of the order; consequently, GONGREN RIBAO'S chief responsible person was ordered to make an earnest investigation.

In addition, all major responsible persons of RENMIN ZHENGXIE BAO [CPPCC News] were transferred from the press circles on the grounds that the paper carried an article last year exploring the issue of democratic participation in government, which angered General Secretary Jiang Zemin; some of them were forced to retire ahead of schedule. Media under constant criticism by the upper levels and being “points of focus” included BEIJING QINGNIAN BAO [Beijing Youth Daily], FAZHI RIBAO [Legal Daily], and MINZHU YU FAZHI ZHOUKAN [Democracy and Legal System Weekly]. Even the official XINHUA publication LIAOWANG ZHOUKAN [Outlook Weekly] was criticized for a very mild critical essay.

Article Views Government's Minorities Work

OW0403131595 Beijing XINHUA Domestic Service in Chinese 0741 GMT 26 Feb 95

[By XINHUA reporters Zheng Qingdong (6774 1987 2639) and Jia Fenyong (6328 1164 0516): “A Historic Leap—The Path of Development for China's Ethnic Minorities Work”]

[FBIS Translated Text] Beijing, 26 Feb (XINHUA)—At the UN-sponsored international symposium on ethnic issues and policies held in August 1994, the speech by a Chinese delegate triggered warm responses. Hakunsen [name as transliterated], executive chairman of the symposium and Danish ambassador to the United Nations, commented, “The successful experience of China, a multinational country, provides an important lesson for other countries in resolving their ethnic problems.”

Ethnic problems that troubled multinational countries have become difficult world problems. Of the 82 armed conflicts in the world occurring in the four years since 1989, 79 were domestic ethnic conflicts. In recent years, many countries and regions have sent government officials to China for the sole purpose of examining China's ethnic issues and to find answers to these two questions:

—Why have there been no internal conflicts and war in China, a country with 56 nationalities?

—Why was it possible for various nationalities in China to achieve unity, harmony, prosperity, and development on a long-term basis?

I.

National unity comes from equality between various nationalities, whereas national equality and unity are built on a nationalities system that conforms with reality. In approaching ethnic issues, the Chinese Communists have chosen a system of regional autonomy for minority nationalities, a system that has Chinese characteristics.

In May 1947, the Inner Mongolia Autonomous Region, the first autonomous region of an ethnic minority group, was established in China in the midst of thunderous artillery fire during the war of liberation. This began the great practice of the regional autonomy of minority nationalities. To date, China has five national autonomous regions, 30 autonomous prefectures, and 122 autonomous counties. In addition, it has also established more than 1,000 ethnic townships in areas where minority people are scattered. The area of autonomous minority nationalities accounts for 64.3 percent of the country's total area; 75 percent of the country's minority population enjoy autonomy; and 44 minority nationalities enjoy regional autonomy.

In concert with this, a large number of national minority laws and regulations have been promulgated one after another. In particular, the promulgation and enforcement of the "Law of the People's Republic of China on Regional Autonomy for Minor Nationalities," the "Regulations on Administrative Work in Ethnic Minority Townships," and "Regulations on Urban Ethnic Minorities" gradually brought ethnic minority work onto the path of the legal system. From the "Common Program of the Chinese People's Political Consultative Conference [CPPCC]," which was adopted in the early years of the Republic, to the "Constitution" and the various special and local laws and regulations adopted in the later days, the fundamental goal of the "equality, unity, and common prosperity of all nationalities" is given prominence, and the principle of "national equality and unity"—New China's fundamental national policy—is manifested without exception. The system of regional autonomy for minority nationalities has become common knowledge to every Chinese citizen.

After decades of practice, we have found the path to equality, unity, and common prosperity for all nationalities.

It is along this path that masses of all nationalities in our country have acquired unprecedented equal rights. At both the central and local levels, the masses have their representatives participating in the administration and discussion of state affairs on their behalf. The offspring of serfs have become people's deputies, CPPCC members, generals, factory directors, and scientists. Over the

past several decades, the number of minority nationality cadres has increased at a rate of tens of thousands a year to nearly 200,000. Today, minority cadres at various levels account for 12 percent of the country's total force of cadres, which is far above our minority population's 8-percent share of the country's total population.

Precisely because they have followed this path, China's minority regions have made rapid economic progress. At present, there are 71 modern industrial cities, 1 million industrial enterprises, 3 million village and town enterprises, and more than 10 million ethnic minority workers and staff members in minority regions. In 1993, autonomous minority regions across the country achieved over 410 billion yuan in total industrial and agricultural output value, more than 100 times the figure at the time of New China's founding.

Also precisely because they have followed this path, China's ethnic minority people have made historic progress in various fields: culture, education, and public health. China's ethnic minority population has increased from 35 million in 1953 to 91.2 million today, at a rate higher than that for the Han nationality. The average life expectancy for various ethnic groups has been increased from 30 years during the early years of liberation to 60 years or more. The number of ethnic minority students enrolled in school is more than 70 times the total in 1951.... [ellipses as received]

These figures clearly chart the noteworthy development course of China's ethnic minorities, and they fully demonstrate the tremendous power of the system for regional autonomy for minority nationalities, as well as various nationality policies. In Comrade Deng Xiaoping's words, China has adopted the system of regional autonomy for minority nationalities instead of a federal system in a national republic. The former is better because it suits China's conditions; it is "the greatest success in China's ethnic work."

II.

"Development is the last word." A growing number of people have come to realize that development is the only way to prosperity for various ethnic groups. Only through prosperity for various ethnic groups can ethnic equality and unity be truly achieved.

If we say that China's nationalities policies and system of regional autonomy for minority nationalities have brought ethnic minorities onto the path of equality and unity, then the program of reform and opening up has provided a large historical stage for the development of ethnic minorities, in which the long-withheld potential of ethnic minorities has been brought into full play to cause rapid improvements in economic and cultural standards with the support of people throughout the country.

In the vast northwest regions of the motherland, the Xinjiang Uygur Autonomous Region has used its favorable location to develop its rich resources, in opening a

dozen or so international trading ports to attract large amounts of technologies, funds, and manpower from coastal areas and overseas for business and development purposes. Consequently, the vast Xinjiang region has become yet another dynamic region for economic development in Central Asia.

The Tibet Autonomous Region, which is located on the roof of the world, has taken full advantage of its proximity to South Asian countries and regions to steadily expand economic contacts and to trade with Nepal while resuming and expanding its traditional trade with India and while actively developing trade with border residents in Burma and Bhutan. Tibetans engaged in trading activities can be seen everywhere on both sides of the national borders.

The Guangxi Zhuang Autonomous Region has proposed the new strategy of serving the southwest and advancing toward Southeast Asia, and it has strived to accelerate the construction of Beihai, Qinzhou, and Fangcheng ports, which lead to the sea in the southwest. Guangxi has established trading relations with more than 100 countries and regions. Business people from nearly 30 countries and regions have come to invest in Guangxi.

In the northeast, the Yanbian Korean Autonomous Prefecture—which “has links with the south and develops the north, exports through the east and imports through the west, and faces Northeast Asia”—has developed a multidirectional pattern of opening up, with Hunchun and Yanji playing dominant and supporting roles, respectively, which is centered on the development of the Tumen Jiang Valley. Seven trading ports have been opened up along the 700-km border. Foreign-funded enterprises number 585, and \$620 million in contracted foreign capital has been put to use. Exports and imports totaled \$468 million in 1993, rising 96-fold over 1983 at an average annual rate of 57.8 percent.... [ellipses as received]

More profound than these numbers are the changes in the thinking and concepts of cadres and people in minority regions. Longchuan County, which is located along the Sino-Burmese border, has funded the construction of a road on foreign soil, resulting in a 90-km mountain road extending right up to the Irrawaddy River. Some people thought this was not worthwhile, to which the county magistrate replied: “The road brings us closer to the world. What is more worthwhile than this?”

Ethnic unity has created conditions for the development of various nationalities, while the development and prosperity of various nationalities has laid an even more solid foundation for ethnic unity. With development followed by more development, the 90 million-plus ethnic minority persons have never been more high-spirited, more vigorous, and more aware of the profound significance of development for ethnic equality, unity, and prosperity.

III.

As the saying goes, the 10 fingers are not all the same length. China's minority nationalities regions have made universally acknowledged achievements in socialist construction. However, owing to historical, natural, and some other reasons, the level of development in the ethnic minority regions is to a certain extent lower than that of other regions, particularly the coastal regions.

Statistics showed that during the 10 years from 1981 to 1991, the increase in the total industrial and agricultural output value in China's ethnic minority regions was 1.5 percentage points lower than the nation's annual average and that the gap was showing a daily trend of widening. The gap was even greater in terms of village and town enterprises. In 1991, the total output value of China's village and town enterprises exceeded 1 trillion yuan, and 86.8 percent of this was achieved in the eastern and central parts of the country, while only 14.2 percent was achieved in the western part [percentage figures as received], which is the region most heavily inhabited by ethnic minority groups. Of the 331 state-designated poor counties, 119 are located in minority nationality regions.

The party and the government always pay great attention to such a gap between the minority nationality regions and other regions. For many years, the party and the government have consistently adopted a number of preferential policies to help vigorously develop the economy of minority nationality regions.

To help minority nationalities develop their production, the state has set up a number of special funds totalling several billion yuan annually, including the development fund for economically less developed regions, subsidies for minority nationality regions, and fixed-amount financial subsidies.

To accelerate economic development in ethnic minority regions, the state has given them a great deal of preferential treatment in investment, loans, taxation, production, supplies, transportation, and marketing; and it helps autonomous minority nationality regions exploit local resources and arrange well people's livelihoods.

To help promote social progress in minority nationality regions, a large number of scientists, technicians, experts, and cadres of Han nationality, in successive groups, have gone to work in frontier regions, grasslands, and deserts. They have taken knowledge and technology to the ethnic minority regions and are helping local people develop production and improve their living standards.

According to statistics, from 1981 to 1991, the state has provided fixed-amount subsidies exceeding 80 billion yuan to five autonomous regions of minority nationalities and three provinces of predominantly minority nationalities. The central authorities have also provided a large amount of additional subsidies to minority nationality regions that are suffering special difficulties and to certain construction and development projects. In

1994, the central authorities and the departments concerned directly helped Tibet build 32 projects with a total investment of 1.8 billion yuan. The central authorities constantly organize support in terms of manpower and material and financial resources from the relevant departments in developed coastal regions for their counterparts in inland minority nationality regions.

It is the common aspiration shared by the people of all nationalities across the country to improve the living standards of minority nationalities and to accelerate economic development in minority nationality regions. Although the gap created by historical reasons cannot be eliminated within a short time, the deepening of reform, the establishment of a socialist market economic structure, and especially the economic exchanges on an unprecedented scale among various nationalities are pushing the socialist relations of equality, mutual assistance, unity, cooperation, and common prosperity among nationalities into a new stage. People have reason to believe that the people of all nationalities in China will walk hand in hand on the road of socialism with Chinese characteristics toward the magnificent goal of common prosperity.

CDIC Official Views Anticorruption Struggle
HK0603011295 Beijing RENMIN RIBAO in Chinese
16 Feb 95 pp 1, 3

[“Interview” by staff reporters Li Demin (2621 1795 3046) and Xu Rujun (1776 1172 0193); date not given: “The Key to Grasping Implementation Lies in Doing a Thorough Job—Interview With Hou Zongbin, Deputy Secretary of the Central Discipline Inspection Commission”]

[FBIS Translated Text] The Fifth Plenary Session of the Central Discipline Inspection Commission [CDIC] has ended. In an interview with these reporters, CDIC Deputy Secretary Hou Zongbin said the issue he is most concerned about is how to implement the spirit of the session, especially the spirit of Comrade Jiang Zemin’s important speech at the meeting. Hou stressed: The key to grasping implementation lies in doing a thorough job, for only thus can we attain new results and say we have fully implemented the spirit of the plenary session.

The Fifth Plenary Session of the CDIC is rich in content. On the question of how to comprehend the general spirit of the plenary session, Hou said: To carry out the tasks laid down by the fifth plenary session, we should first comprehend its spirit and essence. He said: The general spirit of the fifth plenary session is just as Comrade Wei Jianxing pointed out in his report: Do a thorough job, firmly grasp implementation, and strive to attain new results in the anticorruption struggle. In our work this year, we should devote a lot of time and energy to doing a thorough job, grasping implementation, and attaining new results. The tasks this year are arduous, and strenuous efforts are required to do our work well. On the one hand, some of the tasks set in the past have not been

carried out, and this involves a great deal of work. On the other hand, we have formulated supplementary regulations on promoting honesty and self-discipline this year, setting specific demands on section-level cadres at organs directly under the county (city) authorities, township (town) leading cadres, persons in charge of grassroots stations, and leaders of state-owned enterprises and public institutions. There are new tasks and requirements on investigating and handling cases and rectifying unhealthy tendencies in government departments, trades, and professions. There are also new requirements and a lot of work to be done on upholding democratic centralism, enforcing political discipline, and strengthening basic work. He said: As these aspects of work involve a wide range and some of them are sensitive issues, it is hard to put them into effect. Therefore, we should firmly grasp rather than relax the work this year. The overall requirement is to concentrate on doing a thorough job, and only by doing so can we attain new results.

Hou said: Concentrating on doing a thorough job is not only a question of work method or style but involves issues of understanding, leadership, measures, and mechanisms. To be specific, we should gain a better understanding of the importance and urgency of fighting corruption, make further arrangements for implementing the three anticorruption tasks, concentrate more efforts on “curing the symptoms and eliminating the causes of the disease,” and work harder to strengthen leadership and establish and improve work mechanisms.

Enhancing the ideas and understanding of principal party and government leaders at all levels is a prerequisite for thoroughly unfolding the anticorruption struggle. With regard to this issue, Hou pointed out: Only by gaining a better understanding can we deepen the anticorruption struggle. To achieve this aim, first, it is necessary for principal party and government leaders at all levels to thoroughly study Marxism-Leninism-Mao Zedong Thought and arm themselves with Comrade Deng Xiaoping’s theory of building socialism with Chinese characteristics. Comrade Jiang Zemin calls on leading cadres at all levels and the vast numbers of party members and cadres to handle well three relationships, i.e. the relationship between carrying out reform and blazing new trails on the one hand and carrying forward fine traditions on the other, the relationship between assimilation and boycott in opening up to the outside world, and the relationship between a small number of people becoming well-off and common prosperity, and to use revolutionary theory to guide the work of fighting corruption and promoting honesty. Second, it is necessary for principal party and government leaders at all levels to profoundly understand that the anticorruption struggle is a major issue vital to the survival of the party and state and the success or failure of the reform, opening up, and economic construction. Third, it is necessary to solidly foster the idea of “giving equal emphasis on two fronts and doing well in both.” Reviewing the previous anticorruption struggles, Hou

said: The key reason why a small number of localities and departments failed some time ago to vigorously grasp the anticorruption work and attain marked results is that the principal leading cadres there did not have an ample understanding of the struggle. Some paid lip service to the struggle without taking any action; others even set the anticorruption struggle against economic construction, reform, and opening up and took a passive, perfunctory attitude toward it. Facts have proven that far from adversely affecting reform, opening up, and economic construction, the anticorruption struggle in the past few years guaranteed and promoted their smooth progress. Therefore, leading cadres at all levels should genuinely bring their thinking into line with the spirit of Comrade Jiang Zemin's speech. Hou stressed, the nature and purpose of our party determine that we should run the party with strict discipline and severely punish corruption. In the face of decadent forces, we Chinese Communists should never make concessions!

Hou discussed the work arrangements for deepening the three anticorruption tasks and summed them up as taking tough actions, meticulous actions, and new actions. Taking tough actions means that we should make it our business to exercise management. We should set strict demands, exercise strict management, and especially enforce strict discipline. All discipline violators should be seriously dealt with according to regulations; on no account should they be given special treatment or let off easily with the warning of "just this once." Given that some corrupt phenomena have not been placed under effective control, it is necessary to strictly and severely deal with violators of law and discipline, especially those who persist in doing so. Taking meticulous actions means that we should exercise specific and proper management to leave no loopholes for violators of law and discipline to exploit. The anticorruption struggle is an arduous and complex task. Instead of copying in an oversimplified and indiscriminate way the instructions of the higher authorities, all localities and departments should, in light of their own realities and through full investigation and study, put forward clear and definite work criteria and specific measures corresponding to the tasks set by the central authorities. We should work in a thoroughgoing, meticulous, down-to-earth, and pragmatic way. We should take various measures to enforce supervision and inspection and assign certain people special responsibilities for each task to ensure practical results. Taking new actions means that we should use our brains diligently, dare to make explorations, be good at analyzing fresh experience gained in practice, and creatively do our work in the spirit of reform.

While using vigorous methods to "cure the symptoms," we should intensify our efforts to "eliminate the causes of the disease" so as to systematically deepen the anticorruption struggle. With deep feelings Hou Zongbin said: In the anticorruption struggle, we "cure the symptoms" by dealing with the corrupt phenomena and "eliminate the causes of the disease" by dealing with the

cause of corruption. As two aspects of a thing, they are inseparable. The work of "curing the symptoms" should not be relaxed but should be grasped more strictly and firmly to attain better results; the work of "eliminating the causes" should be intensified with greater force to attain more practical results. To intensify the work of "eliminating the causes" we should mainly do the following two tasks: First, it is necessary to strengthen system building. Hou said: The following systems will be established this year, namely, the system of declaring the incomes of leading cadres at or above the county (department) level in party and government organs, the system for registering gifts received by party and government functionaries during the course of performing official duties in the country, and the system for reporting to workers' congresses the way state-owned enterprises use entertainment allowances earmarked for business purposes. In conjunction with their own realities, all localities and departments should formulate supplementary regulations and enforcement procedures. We should carry out this work actively and on our own initiative, establishing the systems one by one when the conditions are ripe. We should neither work carelessly nor demand perfection. On the contrary, we should attach importance to practice and gradually perfect our systems. Second, it is necessary to beef up ideological and political education to enable the vast numbers of party cadres, especially leading cadres at all levels, to establish a correct outlook on life and a correct concept of value, which play the role of laying and consolidating the foundation of a person. The anticorruption struggle will lack the ideological foundation and spiritual motivation if it is separated from education. At present, we should continue to arm ourselves and guide our work with the theory of building socialism with Chinese characteristics. Under the guidance of this theory and in conjunction with actual conditions in fighting corruption, improving the party's work style, and promoting the building of clean government, we should concentrate on doing a good job of education in communist ideals and faith, in the purpose of wholehearted service to the people, and in the need to work hard, live industriously and thrifitly, and practice economy so as to be able to stand the test of faith, power, money, and human feelings. Leading cadres at all levels should add personal examples to precepts and serve as models of honesty, diligence, thrif, and pragmatism.

With regard to the role of party and government leaders in anticorruption struggle, Hou Zongbin said: The key to deepening the anticorruption struggle lies in the principal party and government leaders. They should not only take the lead in enhancing understanding but also match it with self-discipline, responsibility, and work. In line with the demands set by Comrade Jiang Zemin in his speech to the Fifth Plenary Session of the CDIC, leading cadres at all levels should not only set an example but also take the lead in safeguarding the inviolability of party discipline and state laws; they should be totally responsible for not only all fields of endeavor in their

localities, departments, and units but also the anticorruption struggle and the building of clean government. Moreover, they should establish and improve a work mechanism to ensure the smooth progress of the anticorruption struggle. The anticorruption work mechanism includes leadership mechanism, operation and implementation mechanism, punishment mechanism, supervision and inspection mechanism, and incentive mechanism. The establishment and improvement of this mechanism is aimed at defining the authority and responsibilities of party committee, government, special organ, and other quarters in the work of fighting corruption to ensure that the work can progress steadily. We should be good at summing up experience and gradually develop a pattern of anticorruption work in which "the party and government exercise unified leadership, the discipline inspection commission organizes coordination, all departments perform their own duties, the public takes part in supervision, and all people, from top to bottom, share in management."

Looking forward to the prospects for strengthening the building of clean government and the anticorruption struggle this year, Hou Zongbin stressed: Under the strong leadership of the party Central Committee with Comrade Jiang Zemin as the core and with the joint efforts of the whole party and the people of the whole country, the anticorruption struggle will certainly be able to attain new results and continuously bring into play its positive role in promoting reform, development, and stability.

Decision on Offenses Against Corporation Law

OW0303125995 Beijing XINHUA Domestic Service in Chinese 1319 GMT 28 Feb 95

[FBIS Translated Text] Beijing, 28 Feb (XINHUA)—Decision Made by the National People's Congress [NPC] Standing Committee on Punishing Offenses Against the Corporation Law

(Adopted by the 12th Session of the Eighth NPC Standing Committee on 28 February 1995)

The following supplementary regulations have been added to the PRC Criminal Law for the sake of safeguarding socioeconomic order, protecting corporations' legitimate rights and interests, and punishing offenses against the Corporation Law:

1. A corporation registration applicant who has used forged documentation or other fraudulent measures to falsify the corporation's registered capital, who has defrauded registration authorities and acquired the registration, and whose falsified registered capital is enormous, thus causing grave consequences in one way or another, shall be sentenced to a fixed-term imprisonment or criminal detention of up to three years, and he may also be fined a sum which is up to 10 percent of the falsified registered capital.

When the unit which applies for corporation registration has committed the offenses mentioned above, the unit shall be fined a sum which is up to 10 percent of the falsified registered capital, and the unit's person in charge or other liable personnel shall be sentenced to a fixed-term imprisonment or criminal detention of up to three years as the preceding clause prescribes.

2. When a corporation's promoters and shareholders who, in violation of the Corporation Law, have failed to contribute their shares, in cash or in kind, or transfer their property rights; or who have falsified their contributed capital; or who have withdrawn their contributions after the corporation has been founded and the sums are enormous, thus causing grave consequences in one way or another, they shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years, and they may also be fined a sum which is up to 10 percent of their falsified contributions, or the amount of capital they have withdrawn.

When a unit is found guilty of the above offenses, it shall be fined a sum which equals 10 percent of its falsified contributions or the amount of capital it has withdrawn; and its person in charge or other liable personnel shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years as the preceding clause prescribes.

3. He who issues stocks or corporate bonds by forging prospectus, share applications, or measures for floating corporate bonds, and the quantity is large, thus causing grave consequences in one way or another, shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years, and he may also be fined a sum which is up to 5 percent of the capital he has raised illegitimately.

When a unit is found guilty of the above offenses, it shall be fined a sum of up to 5 percent of the capital it has raised illegitimately, and its person in charge or other liable personnel shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years as the preceding clause prescribes.

4. When a corporation has seriously infringed upon the interests of its stockholders and the public by providing them with false financial information, or reports in which important facts are omitted, its person in charge or other liable personnel shall be sentenced to a fixed-term imprisonment or criminal detention of up to three years, and they may also be fined a sum of up to 200,000 yuan each.

5. When, during its liquidation, a corporation has seriously infringed upon the interests of its creditors or other persons by hiding its assets or making false entries in its balance sheet or property inventory, or dividing the corporation's assets prior to the liquidation, the person in charge and other liable personnel shall be sentenced to up to a fixed-term imprisonment or criminal detention of up to five years, and they may also be fined a sum of up to 200,000 yuan each.

6. When personnel performing the duties of appraising assets, checking capital and documentation, or auditing financial accounts deliberately provide falsified documentation, and the case is serious, they shall be sentenced to up to a fixed-term imprisonment or criminal detention of up to five years, and may also be fined a sum of up to 200,000 yuan each.

When a unit has been found guilty of the above offenses, it shall be fined a sum of up to five times its illegitimate income, and its person in charge or other liable personnel shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years as the above clause prescribes.

7. He who has sold large amounts of stocks or corporate bonds without the approval of relevant authorities according to the Corporation Law shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years, and he may also be fined a sum which is up to 5 percent of the money he has raised illegitimately.

When a unit has been found guilty of the above offense, it shall be fined a sum which is up to 5 percent of the capital it has raised illegitimately, and its person in charge, or other liable personnel shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years as the preceding clause prescribes.

8. State personnel working at relevant state authorities who have approved or registered a corporation's illegitimate establishment and registration application, or its application to float and list stocks in the market, thus causing heavy losses to the public and the interests of the state and the people, shall be punished according to Article 187 of the Criminal Law.

When a higher department forces a registration organ and its personnel to carry out the acts mentioned in the preceding clause, the department's persons in charge shall be punished as the preceding clause prescribes.

9. When a corporation's directors, supervisors, or staff workers take advantage of their offices to solicit or accept relatively large amounts of bribes, they shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years; and if the amounts are enormous, they shall be sentenced to a fixed-term imprisonment of longer than five years and they may also have their property confiscated.

10. A corporation's directors, supervisors, or staff workers who take advantage of their offices or jobs and embezzle relatively large amounts of the corporation's property shall be sentenced to a fixed-term imprisonment or criminal detention of up to five years; and if the embezzlement is enormous, they shall be sentenced to a fixed-term imprisonment of longer than five years and they may also have their property confiscated.

11. A corporation's directors, supervisors, or staff workers who take advantage of their offices and embezzle relatively large amounts of corporation funds

for their own use or for extending loans to others shall be sentenced to a fixed-term imprisonment or criminal detention of up to three years if they fail to return the money within three months; or even if they return the money during the three-month period but the amount is enormous and it is used for profit-making or unlawful operations. Those who embezzle relatively large amounts of funds from their own units and fail to repay them shall be punished according to item 10 of this decision.

12. State personnel who have been found guilty of the offenses mentioned in items 9, 10, and 11 of this decision shall be punished according to the "Supplementary Regulations Governing the Punishment of Corruption and Bribery."

13. Illegitimate incomes from offenses prescribed in this decision shall be confiscated.

When one who has been found guilty of the offenses stipulated in this decision is fined, has his property confiscated, and is liable for civil compensation, but his property is insufficient for the payments, he shall first undertake his civil liabilities.

14. This decision is also applicable to staff workers of other business concerns than corporations and limited-liability corporations who have been found guilty of the offenses stipulated in items 9, 10, and 11 of this decision.

15. This decision becomes effective upon announcement.

Academic Begins Defamation Suit Against Daily HK0303150095 Beijing ZHONGGUO XINWEN SHE in English 1420 GMT 3 Mar 95

[FBIS Transcribed Text] Shanghai, March 3 (CNS)—Professor Yu Qiuyu, famous scholar and writer in Shanghai, lodged a suit with the Shanghai People's Intermediate Court against Ming Pao for defamation.

In January 7, 1995, the Ming Pao published an article under the title of "The Agonies of the Authors", written by Luo Fu, to describe a local opera (huang mei xi) which was called "A Dream of Red Mansions". The article said that an old-aged script writer asked for the advice of a well-known personality in the cultural circle who had been the director of a drama school. But in the end, the name of the old script writer disappeared from the script.

Although Professor Yu's name was not mentioned in the article, the phrases "local opera (huang mei xi) A Dream of Red Mansions" and "famous personality in the cultural scene who had been the director of a drama school" were suggested to implicate Professor Yu Qiuyu.

Talking to the journalists, Professor Yu claimed that the Ming Pao story contained a double fabrication. "It said I did not take part in the script writing but put my name alone on the script. The truth was that I had been

involved in the script writing work from the very beginning but I had not signed my name in any version of the scripts. Can the Ming Pao produce any evidence to prove my signature?"

The solicitor acting for Professor Yu stated that the story that was published by Ming Pao had twisted all the facts. Professor Yu had contributed a great deal to the birth of the award-winning script but he had never put his name on any script. On the other hand, the other author who had taken part in production of the script, with the intention to boast he claimed that the script was written solely by himself, and put his own name on the script. Besides, he wrote a lengthy article in the newspaper to criticize Professor Yu saying that Yu had spoilt the script. Yet he never intended to put Yu's name on the script. The matter had dragged on for three years.

Professor Yu had kept silence for three years because he knew the other author was very old. But now the matter had become intolerable so he lodged a complaint to the court. If the other author failed to take back his stormy criticism against him while at the same time insists on putting his own name alone on the script, he must withdraw all this ideas as well as sections he had put into the script. In fact, Professor Yu was the person who was entitled to the copyright.

The solicitor told the media that the Ming Pao story has fabricated personal history of Professor Yu and falsely speculated he was "fixed to become the next Minister of Cultural [as received]". The author's motive was hard to comprehend as he mixed up such political rumour with intellectual property rights.

*Article Describes Nanjing Suicide Prevention Center

95CM0150A *Shanghai SHEHUI /SOCIETY* in Chinese No 120, Jan 95 pp 7-9

[Article by Ding Xiaoping (0002 2556 1627): "China's Saint Mary's—Report from the Nanjing Crisis Intervention Center (CIC)"]

[FBIS Translated Excerpt] [Passage omitted] On 24 September 1994, this reporter arrived at 164 Guangzhou Road, Nanjing. According to a tourist map of Nanjing, this is the location of a mental hospital. On the marble lintel hang signs reading "Nanjing Mental Health Center," and "Nanjing Psychosis Research Institute." Following an approximately 30 degree slope, I entered the hospital, and after inquiring, I found China's first organization specializing in the prevention of suicide—the Nanjing Crisis Intervention Center [CIC]. Located in an out of the way place, it consists of just three unprepossessing single-story buildings.

The "center's" Doctor Ji Weihua is listening carefully on the telephone to a caller from Zhuhai. After asking the name, sex, age, education, profession, and marital status of the caller, the two begin a conversation lasting 40 minutes. Since I am an observer required to keep the

content of the conversation secret, I may not take notes. After Dr. Ji hangs up, the reporter sees a relieved smile appear on his face. He checks the box marked "satisfactory" in the evaluation column on the telephone conversation record card. The reporter's heavy heart relaxes as well. The doctor says: "This intervention method is cognitive therapy in psychotherapy."

[Passage omitted] The CIC employs telephone service, outpatient service, correspondence, telephone interviews, and social (family or work unit) intervention methods. Because of limitations, it is unable to make house calls to help those seeking help. To date, the center has examined more than 5,000 patients and answered more than 4,000 telephone calls and than 500 letters. Its intervention extends to every province, municipality, and autonomous region in the country except Taiwan.

The Nanjing Crisis Intervention Center was founded on 1 July 1991. Professor Di Shutao, the founder, is a renowned Chinese psycho-medicine expert and psychology researcher. [passage omitted]

Crisis intervention is a mark of social progress. However, even though crisis intervention in China began several years ago, "intervention" is increasingly difficult to sustain; it is difficult to continue this work. There are two reasons: One is failure to make people understand. As soon as they hear the word "suicide," some people become upset, supposing that suicide should not exist in a socialist country. This mistaken understanding creates numerous artificial obstacles for the study of suicide. Professor Di Shutao said that China's suicide rate is not low by any means, and that the public lacks understanding and does not give sufficient attention to the suicide problem. Another reason is the lack of money. Elsewhere in the world, business enterprises, large corporations, and welfare agencies provide funds to assist crisis intervention. [passage omitted]

The specialized Nanjing Crisis Intervention Center relies on disbursements from the meager annual operating expenses of the Nanjing Mental Hospital. Currently, it has only three small one-story buildings, several tables and chairs, a hot-line telephone (025-6632977) and, thanks to the provincial Department of Health, the recent acquisition of a computer. It has only five permanent employees at the present time. Every day between 0800 and 2300 hours, day-in day-out, specially assigned persons work the phones. Except for a 2 yuan registration fee when first treated, all work is done at public expense. For a long time, it has been all outgo and no income. The center's ability to meet expenses is getting worse and worse. Because of the lack of operating expenses, the center has had to give up helping those coming to the center seeking help. Moreover, because of the lack of manpower, their desires to train a number of assistance volunteers has also gone a glimmering. Where can a classroom be found nowadays that does not cost money? Unbelievably, the financial account number for which the "center" applied at the time of founding is still

at zero. More dishearteningly, "name recognition" of the crisis intervention center and the assistance hot-line is not high. Quite a few people in Nanjing do not even know that such a "center" exists. [passage omitted]

On the afternoon of 26 September 1994, this reporter witnessed the following at the crisis intervention center: As many as 45 patients seeking help lined up to register, both male and female, old and young, most of them young people around 30 years of age. Some of them, who had registered, were waiting quietly; some who had not registered were chatting with a nurse, and some were simply standing outside the door looking inside longingly. It was not difficult to see from their haggard, restless, and resigned appearance that they were suffering.

During my visit, Fang Cuiling, the "center's" nurse said that many people confuse psychosis with neurosis. Medically, they are distinct. With the building of a socialist market economy system, competition has become more intense in every field of society; new and old ideas constantly collide, and psychological clashes are increasingly intense; consequently, the number of psychotic people facing crises increases with each passing day, and the suicide rate also shows a rising trend. According to a World Health Organization announcement, suicide ranks third among the abnormal causes of death. We can see from surveys conducted by Chinese medical circles and the Chinese Disabled Persons Association that the psychotic morbidity rate in China is rising rapidly. There are currently more than 10 million psychotics nationwide. Their average age is 60, and the average age at which they fell ill is 25. Virtually every psychotic has been ill for nearly 35 years. Furthermore, the cure rate is low and the accidental death rate is also low; consequently, the net accumulation of psychotics increases, the number rising year by year. Public security agencies report that more than 1.2 million psychotics may endanger social order. According to RENMIN RIBAO statistics, 15 percent of repeat visitors to the newspaper each year are psychotics.

Data from the "First National Workshop on Crisis Intervention and Suicide Prevention," held in Nanjing on 14 November 1992, show a China mainland suicide rate of 1.2 per 10,000, 400 people dying from suicide each day. The number of attempted suicides is 10 times that number. Every year, between 140,000 and 160,000 people commit suicide nationwide. This is three times the traffic accident total, and as many as 2.14 million people have suicidal thoughts and tendencies. This is also a rather conservative estimate. An expert study suggests that 47 percent of suicides result from mental or psychological illnesses. Had they received professional treatment before they reached the extreme, tragedy could have been averted.

During his visit, the reporter learned that helpers include middle school students, college students, staff and workers, peasants, organizational cadres, and retirees.

Reasons causing suicidal tendencies are also varied. They include school promotion problems, disappointment in love, marriage problems, economic problems, interpersonal relations, and illness. Young people between 20 and 24 and old people over 60 make up the largest number of suicides. The suicide rate is higher in rural villages than in cities, and higher in medium and small cities than in large cities. The most common way of committing suicide is by poison followed by drowning and hanging.

A 1988 National Education Commission random sampling of 126,000 college students nationwide showed a 20.3 percent incidence of psychological disorders among Chinese college students. Other incomplete statistics showed that in just three-and-a-half years between early 1990 and October 1993, at least 182 college students nationwide committed suicide. Nanjing Crisis Intervention Center statistics on the suicide rate in institutions of higher education in Nanjing for 1993 are higher than the national average. During the past five years, the suicide rate for Nanjing institutions of higher education has averaged 1.5 per 10,000, and reached 2.1 per 10,000 in the highest year. In addition, a Nanjing municipal survey also suggests that the suicide rate for rural women of child-bearing age is extremely glaring: 1,449 out of 5,306 death were suicides.

In contrast to the above circumstances, there are only 7,000 psychotherapists in the country today, only half of whom have an undergraduate degree and have undergone clinical training. Furthermore, there are only 100,000 beds for the treatment of mental illnesses! Few specialized suicide prevention organizations like the Nanjing Crisis Intervention Center can be found today in the country, and like that center, most of them find the going rough and are facing difficulties of various kinds.

Although suicide is a personal act, it has a wide effect. At the very least, it produces intense shock in the suicide's family. From this standpoint alone, the significance of crisis intervention work is tremendous. It has a direct bearing on the harmony and happiness of several hundred thousand families. It is for this reason that the philosophical foundation for the Nanjing Crisis Intervention Center, China's "Saint Mary's," is humanitarianism. It respects people, respects life, shows concern for human rights, and helps and guides human survival and development. [passage omitted]

Military & Public Security

Beijing Introduces Patrol System To Curb Crime

HK0503045095 Beijing CHINA DAILY in English 4 May 95 p 3

[By Chen Chunmei: "Patrol System Introduced To Curb Crimes"]

[FBIS Transcribed Text] Police patrol system is expected to be set up in Beijing before May 1, said Zhang Liangji, newly elected director of Beijing Public Security Bureau.

It's a measure to reduce crime especially theft, and ensure the capital's social stability. Beijing last year experienced an increase in violent crimes and crimes caused by the transient population, said the director.

A police patrol has already been in place in the Chongwen and Haidian districts since January 1, 1994. It has dealt with illegal behaviour involving 950,000 people and helped 400,000 people with problems.

Eight downtown districts and two tourism resorts will have police patrols before May 1.

The local regulation on police patrols will be issued this year, according to the Beijing People's Congress.

Handling crimes caused by the transient population from other provinces will be the public security sector's major task this year, said Zhang.

Vice-Mayor Meng Xuenong said Beijing will not allow the transient population to surpass 30 per cent of the local population of 11 million.

Beijing is home to 3.3 million transients now. The crimes they committed accounted for 46.2 per cent of the total last year, police say.

Beijing has worked with 256 counties across the country to keep surplus rural labourers from flowing into Beijing.

Strict receipt processes will be practised. Those staying in the city will be vocationally and legally trained.

Fujian Takes Steps Against 'Serious' Smuggling

HK0303143395 Beijing ZHONGGUO XINWEN SHE in English 1137 GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (CNS)--Police efforts to crack down on marine smuggling in Fujian has achieved satisfactory results, but the situation is still serious. Stronger measures, therefore, will be taken to tackle the problem this year, said Hong Shaohu, deputy of the 8th National People's Congress and head of the Fujian provincial armed police.

Mr. Hong said Fujian's frontier guards discovered and seized 31 smuggling boats and recovered RMB [Renminbi] 62 million smuggled goods last year, a greater success compared with the year before. However, this policing success is not a cause for celebration since smugglers are becoming more surreptitious in their smuggling activities.

According to Hong's analysis, two kinds of smuggling activities are on the increasing rise. One is the trafficking of counterfeit banknotes with a value of RMB nine million seized last year by the frontier guards, six times that in 1993. Another is an increase of drug trafficking with over 200 narcotic traffickers captured last year, totalling more than the previous years. The problem is aggravated by the facts that the traffickers are well-organized and equipped with advanced communication tools. Moreover, there is a trafficking line including

goods supply, transportation, disposal of smuggled goods. All these has given rise to much trouble for anti-contraband personnel.

Fujian's frontier guards will continue to take comprehensive measures to strengthen their efforts against contrabandists. Several large-scale campaigns will be launched to crack down on smuggling along two sides of the mouth of Minjiang River. Mr. Hong hoped that police on the two sides of the Taiwan Strait could cooperate more closely to hit contrabandists.

Guangxi Police To Intensify Campaign Against Drugs

HK0303143795 Beijing ZHONGGUO XINWEN SHE in English 1137 GMT 3 Mar 95

[FBIS Transcribed Text] Nanning, March 3 (CNS)-This year, Guangxi police will intensify prohibition of drugs and the trafficking of drugs and guns in border areas in order to put these illegal activities under control.

Information from a leading group in charge of prohibition of drugs in Guangxi Zhuang Autonomous Region show that the police force has intensified the combating of drugs and gun trafficking. Last year, over 6,655 drug cases were discovered, some 56.275 kilogram heroin seized and 6,256 drug addicts rehabilitated by force in the region, increasing by 53 percent, 36 percent and 50 percent respectively compared with 1993.

The police force focused its crack down on drug trafficking gangs who are in collusion with domestic and overseas criminals and operate in an inter-regional and cross-border way. On the 16th of last May, the police smashed a major drug trafficking case on board a train, and arrested 5 Mainland and overseas traffickers, seizing seven kilograms of heroin brought in from overseas. According to the police, in 1994, they cracked 612 serious drug cases. The heads of overseas and Mainland drug trafficking groups were arrested.

In March, addict rehabilitation centres in Nanning, Liuzhou and Wuzhou in Guangxi will be open for service. At present, there are 65 centres of this kind in the region. Last year, more than 9,800 drug addicts were rehabilitated compulsorily or voluntarily.

To tackle the drugs problem at root, Guangxi police, local governments and the media called on people to fight against drugs-taking. On the World Drugs Prohibition Day of June 1, last year, Guangxi burnt drugs of 1,050 kilograms in public. Drug prohibition is now listed as a compulsory course in middle schools and above.

As drugs prohibition is an international problem, Guangxi police has strengthened its co-operation with international drugs prohibition organizations, especially with police in Hong Kong, Macao and Vietnam. At the same time, Guangxi police has also given assistance to police force in ten provinces including Sichuan, Guizhou, Gansu, Xinjiang and Guangdong in fighting drugs.

Cadres' Responsibility for Public Security

HK0303122695 Beijing RENMIN RIBAO in Chinese
20 Feb 95 p 3

[Commentator's article: "Earnestly Shouldering the Political Responsibility of Maintaining Public Security in Areas Under One's Respective Jurisdiction"]

[FBIS Translated Text] In November 1993, the Central Committee for Comprehensive Management of Public Security, the Central Discipline Inspection Commission, the Organization Department of the CPC Central Committee, the Ministry of Personnel, and the Ministry of Supervision jointly formulated the "Regulations on Establishing a System of Leadership Responsibility for the Comprehensive Management of Public Security" (called the "regulations" hereafter for short). The "regulations" called on party committees and governments at all levels to establish a system of leadership responsibility for the comprehensive management of public security, to regard doing a good job in the comprehensive management of public security and ensuring public security in areas under their respective jurisdiction as an objective to be attained by party committees and governments at all levels and by leading party and government cadres in all departments during their terms of service, and to directly link this with the career achievement assessments of leading party and government cadres, promotions, rewards, and punishments.

Since the promulgation of the "regulations" over a year or so ago, all provinces, autonomous regions, municipalities directly under the central authorities, and the central departments concerned have, in light of the reality in their own localities and departments, quickly worked out enforcement regulations and specific procedures for implementation. Persons holding primary responsibility in many local party organizations and governments have explicitly announced that they hold primary responsibility for public security in localities and regard comprehensive management as an important task to be tackled. With the principal party and government leaders in many provinces, autonomous regions, and municipalities respectively signing written responsibility pledges with the principal leaders of various localities (cities), leadership over the comprehensive management of public security has been strengthened from top to bottom and placed in its proper place.

Public security is a complex social issue. To effectively crack down, prevent, and reduce crimes and maintain public security, all the forces of society should be mobilized to work in unison and to exercise comprehensive management of public security. This is a strong point of our socialist system and a concrete manifestation of the fine tradition of integrating special organs with the mass line.

The "regulations" of the five central ministries and commissions, formulated in accordance with Comrade Deng Xiaoping's theory of building socialism with Chinese characteristics and the party's basic line, are an important measure for stepping up the comprehensive management of

public security and ensuring the long-term peace and stability of society. The implementation of the leadership responsibility system has further improved the incentive mechanism and supervision mechanism for leading cadres to grasp the comprehensive management of public security. It has not only been endorsed and supported by the broad masses of the people but has also drawn the attention of and is warmly received by leading party and government comrades at all levels. At the end of last year and the beginning of this year, when summing up their work last year, many localities and departments regarded the implementation of the leadership responsibility system for the comprehensive management of public security as an important aspect. They conducted strict inspections and assessments, genuinely linking the ability and practical achievements of leading party and government cadres in grasping comprehensive management work with their career achievements, promotions, rewards, and punishments. Recently, in keeping with the requirements of the "regulations" of the five central ministries and commissions, Liaoning, Jilin, and Heilongjiang Provinces affixed corresponding responsibility to the principal local party and government leaders concerned for the catastrophic fire accidents last year. This has produced a very good social effect and has strengthened the sense of party and government leaders' political responsibility at all levels in maintaining public security in areas under their respective jurisdictions.

Comrade Jiang Zemin recently pointed out: "The 'Regulations on Establishing a System of Leadership Responsibility for Comprehensive Management of Public Security' in the five central ministries and commissions is a good document." He stressed: "Party and government leaders in a locality must shoulder the political responsibility of maintaining public security in the area under their jurisdiction and take overall charge of social stability and public security in that locality." We should "regard the success or failure of the work of public security, the procuratorate, and the judiciary as well as the comprehensive management of public security as an important element in assessing the career achievements of leading cadres." This represents a full confirmation of the great significance of establishing a leadership responsibility system for the comprehensive management of public security and a powerful motive force for its further implementation. In the new year, leading party and government comrades at all levels should correctly handle the relationship between reform, development, and stability and, while deepening reform, opening wider to the outside world, and developing the economy, earnestly shoulder the political responsibility of maintaining public security in the areas under their respective jurisdictions and genuinely take the task of doing a good job in the comprehensive management of public security as an objective to be attained during their terms of office, comprehensively implement all measures for the comprehensive management of public security, maintain social stability, and achieve all the work tasks set by the party Central Committee and the State Council.

General

Wu Bangguo on Reinvigorating State-Owned Economy

HK0603011795 Beijing XINHUA Domestic Service in Chinese 1118 GMT 2 Mar 95

[By Central National Radio reporter Tian Shanchuan (3944 1472 1557) and XINHUA reporter Suo Yan (4792 4282)]

[FBIS Translated Text] Beijing 2 Mar (XINHUA)—Wu Bangguo, CPC Political Bureau member and secretary of the Secretariat stresses that enterprise reform must be based on reinvigorating the state-owned economy in its entirety, set the goal of building the modern enterprise system, and do a good job of pioneering projects in enterprise reform. He made these remarks today at the opening ceremonies of a study class on "state-owned enterprise reform" for leading cadres at provincial and ministerial levels at the Central Party School.

Sixty leading cadres at the provincial and ministerial levels from various provinces, autonomous regions, municipalities, and the center, as well as from government, army, vanguard cities, and enterprises participated in the opening ceremonies this morning.

Wu Bangguo said, state-owned enterprise reform is the key to economic restructuring this year, thus the Central Committee and the State Council have adopted a series of important policies and measures on the subject. After a brief review of the progress of reform, he said, having undergone 16 years of practice in reform, the situation of China's state-owned enterprises, like the economic situation of the whole country, is sound overall, with pleasing results. Of course, there really are some outstanding problems in state-owned enterprises today which chiefly find expression in low economic returns, and the difficulties they are facing are conspicuously reflected in surplus work force, heavy debts, and a great burden in social welfare.

Wu Bangguo focused on analyzing five aspects that call for attention in deepening state-owned enterprise reform. First, enterprise reform must be based on reinvigorating the overall state-owned economy but not every single enterprise; it is imperative to set up a mechanism characterized by survival of the fittest [you sheng lie tai 0327 0524 0503 3077], and, through market laws [tong guo shi chang fa ze 6639 6665 1579 1034 3127 0463], proceed from the appreciation of state-owned assets, optimization of the entire state-owned economic structure, and improvement in results of the overall state-owned economy. Second, it is imperative to organically integrate the establishment of a modern enterprise system with augmenting the magnitude of enterprise technological reform and readjusting enterprise organizational structure, thus improving the overall market competitiveness of state-owned enterprises as well as

their quality and results. Third, it is necessary to support a number of enterprises that possess advantages, doing a good job of promoting backbone enterprises that serve as "locomotives." These enterprises play a decisive role in the entire national economy. With the further improvement in the economic results and scope of these enterprises with advantages, optimal allocation of socio-economic resources and readjustment of industrial structure and enterprise organizational structure will be promoted. Fourth, it is imperative to acquire a comprehensive understanding of the modern enterprise system and do a good job of pioneering work. He said, strengthening enterprise management is an important aspect of deepening enterprise reform as well as the foundation for setting up a modern enterprise system. Enterprise reform and enterprise management supplement each other; results of reform will be standardized and consolidated on the strength of management, whereas a solid foundation of management is the indispensable condition for deepening enterprise reform. And fifth, it is imperative to grasp the whole range of reforms [pei tao gai ge 6792 1152 2395 7245], correctly handling the relationship between enterprise reform and other reforms. Enterprise reform is a systems engineering project; while creating a new system, it is imperative to synchronously conduct enterprise reform and macroscopic reform with enterprise reform and various whole-ranging measures.

In conclusion, Wu Bangguo indicated, it is imperative to take Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics as guidance, linking it to the study of actual conditions of deepening reform of large and medium-size state-owned enterprises to deepen understanding and unify thinking.

Responsible comrades of related departments including Chen Qingtai, Wang Xundong, Zeng Keyang, Hong Hu, Su Xing, and Yang Chungui attended the opening ceremonies.

RENMIN RIBAO Views Inflation, Price Reform

HK0603101295 Beijing RENMIN RIBAO in Chinese 23 Feb 95 p 1

[By staff reporter Shi Mingshen (2457 2494 1957): "Will Anyone Who Refuses to Readjust Prices Suffer Losses?—Third Comment on Curbing Inflation"]

[FBIS Translated Text] The comrades in some localities and departments have the following understanding: Whoever refuses to readjust prices will suffer losses, there is a great enthusiasm for price readjustment, and some are vying with one another to readjust prices. Apparently, this will not help the curbing of inflation.

Under the planned economic system, China practiced a low price policy for a long time which distorted economic relations, resulted in prices seriously deviating from value, and conditioned economic growth. With the deepening of price reform, the irrational price system is

gradually being affected. Restrictions have now been lifted on over 90 percent of the commodities nationwide. The products and prices are determined by market demand and supply, which can benefit both the producers and the consumers, stimulate the rapid growth of industrial and agricultural production, and ensure abundant market supply. While looking at the initial success of price reform today, we should acknowledge that the prices are not yet reasonable in many localities and trades. The irrational prices have become an essential factor conditioning a number of localities and trades. As price reform covers much ground and it can produce a far-reaching influence, price readjustment should be carried out in a planned and step by step manner and we should take the social bearing capacity into account. It is particularly necessary to be prudent in readjusting the prices of the products related to the national economy and people's livelihood. We should not merely proceed from the interests of a locality, department, or trade; act on our own; consider only the immediate interests; and vie with one another in raising prices. Otherwise, it will bring grave consequences to the national economy. We have had a bitter lesson in this regard.

It seems that the localities and departments which first readjusted prices will benefit from the move. If everyone vies with one another in raising prices, however, it will lead to spiralling prices, throw everyone into the quagmire of inflation, and bring losses to all. The sharp increase in prices has become a factor affecting social stability. Moreover, the overall rise in prices will also increase the costs of enterprise production, reduce profits, increase deficits, and aggravate market risks. This will all be disadvantageous to opening up wider to the outside world, to attracting foreign investment, and to a sustained, steady, and healthy growth of the national economy. For this reason, all localities and trades should straighten out their understanding, take the overall situation into account, and resolutely check the tendency of acting on one's own and vying with one another in raising prices. Even when the price readjustment is necessary, it should be introduced in a step by step manner in light of central planning.

The stress on checking inflation and opposing the practice of localities and enterprises acting on their own and vying with one another in raising prices does not mean that the irrational prices can continue to exist and that price reform has reached a standstill. Instead, we should take the overall economic situation into account and gradually introduce price reform in light of the extent permitted by the macroeconomic environment. We must be aware that price reform is not limited only to price readjustment. It also includes the price formation mechanism and strict supervision and management over prices. Apparently, we are lagging behind in the reform in these two fields. As the task of checking inflation is arduous this year, the reform of the latter two will be all the more urgent.

To promote the reform of the price formation mechanism, it is necessary to establish and improve the mechanism of the market determining prices, accelerate market building, and develop a competitive market system so that the producers and operators can rationally set prices in light of market supply and demand. To exercise strict supervision and management over prices, it is necessary to establish a price macrocontrol and regulation system. On the one hand, we should respect the decisionmaking rights of enterprises in determining commodity prices. On the other hand, we should introduce necessary regulation and control over the macroeconomic situation and other factors in light of supply and demand and strengthen supervision over the daily necessities and service charges. In addition, it is necessary to step up price legislation and resolutely attack the behavior of monopolized price increases, making exorbitant profits, and swindling.

Daily Urges Firm Attitude Toward Curbing Inflation

HK0603102995 *Beijing RENMIN RIBAO* in Chinese
25 Feb 95 p 1

[By staff reporter Mei Hongru (2734 3163 1172): "Firm Attitude Is Needed—Fifth and Last Comment on Curbing Inflation"]

[FBIS Translated Text] This year, the central authorities regard curbing inflation as the most important task in macroeconomic regulation and control and the key to correctly handling the relations between reform, development, and stability. It has been placed in a more important position and a series of major policies and measures have been clarified. The main things to do are to strictly control the scale of investment in fixed assets and the growth of the consumption funds, to make great efforts to promote agricultural production, to strengthen market management, and to deal blows at practices such as driving up commodity prices, reaping staggering profits, and practicing fraud.

In order to fulfill the task of curbing inflation, the key factor is that all localities and departments must resolutely implement the policy decisions of the central authorities and take a firm attitude and complete actions to faithfully implement the measures for curbing inflation.

Controlling the scale of investment in fixed assets is a radical measure for curbing inflation. However, some comrades still do not have a sufficient understanding of this. While other people are doing so, they are reluctant to control the scale of their investment. As a result, some projects with irrational investment in fixed assets have been put into operation. Being afraid that the higher authorities might not approve their large projects, they change them into small ones in separate applications. When the banks refused to provide loans, they raise funds by apportioning quotas among investors. They were also in arrears with payments for construction

materials and wages, resulting in a new "debt chain." These comrades have only laid stress on their local interests and paid attention to their local development. As a matter of fact, when they were doing so, they might not really be able to promote a long-term and steady development in their localities. Just think, if the local economy is developing in insolation, how can prosperity be maintained for a long time in that locality when the commodity prices of the whole nation are going up sharply and the national economic situation is unstable? In order to curb inflation, unified action should be taken throughout the country. No localities can go their own way.

In order to curb inflation, it is necessary to correctly handle the relations between the interests of the whole and those of the parts. The local authorities should submit to the central authorities and the interests of the parts should be subordinated to those of the whole. At the same time, it is necessary to have a correct view on development. Some people are apprehensive that curbing inflation may bring about economic stagnation and retrogression. Although this worry is not uncalled for, we must understand that curbing inflation does not mean a "sudden brake" or curbing economic development. Rather, it means to bring about a significant drop in the excessively high commodity prices while maintaining the trend of comparatively fast economic growth. The policies of the central authorities have made this point very clear. We must not encourage inflation in order to develop or stop economic development in order to curb inflation. Our target is to keep inflation at the lowest possible level while maintaining economic growth at the highest possible rate. So long as we conscientiously implement the policies of the central authorities and exercise good control over the strength of macroeconomic regulation and control, we will surely be able to prevent economic fluctuations. China has been on a path of extensive economic development for a long time, with the extensive form of enlarged reproduction as its main body. It has merely relied on the expansion of the production scale and the increase in the number of projects in order to seek development. This development pattern can easily result in duplication and waste and in a decrease in overall economic returns and serious inflation. Today, in order to curb inflation and strengthen macroeconomic regulation and control, we must not only control the general scale of investment but also optimize the structure and promote the change from an extensive economy to an economy paying greater attention to returns. Just as Comrade Jiang Zemin said: In development, we must have new ideas and really shift onto a track taking increased economic returns as the center. We must not continue to follow the old path of blindly pursuing the growth rate of output value and expansion of the investment scale.

The central authorities have a firm determination and scientific and realistic policies and principles to curb inflation. Provided all localities and departments maintain unanimity with the central authorities and work

with one heart and one mind, and provided the leadership and the rank and file are of one mind and strictly enforce orders and prohibitions, we can be full of confidence that this year's objectives for macroeconomic regulation and control and curbing inflation can surely be realized.

Authorities Formulate Principles To Handle Debts

HK0603095495 Beijing ZHONGGUO XINWEN SHE
in Chinese 0836 GMT 14 Feb 95

[FBIS Translated Text] Beijing, 14 Feb (ZHONGGUO XINWEN SHE)—According to a ZHONGHUA GONGSHANG SHIBAO [CHINA BUSINESS TIMES] report, the head office of the People's Bank of China, the State Economic and Trade Commission, and the State Assets Bureau jointly formulated a few days ago, seven principles for handling enterprise debts before their transformation into a modern enterprise system:

First, when an enterprise turns into a legal person entity or changes its name, the principal and interest of its debt to the bank should be assumed by the new enterprise legal person.

Second, when an old enterprise is reorganized into a new one or is "upgraded, leased, or sold" and divided into several small accounting units operating independently, the new enterprise(s) should, on the basis of assets assessment and the actual division ratios of effective assets, share the responsibility of repaying the old enterprise's debts to the banks.

Third, in the case of an enterprise merger, the debt of the enterprise which is being taken over should be assumed by the enterprise which is making the takeover.

Fourth, when an enterprise pursues such economic conduct as forming a joint venture, engaging in joint operations, and splitting up into several independent ones, it is not allowed, in its external investment, to use the assets mortgaged to the bank without the bank's approval.

Fifth, when an enterprise is dissolved or goes bankrupt, it is necessary for a liquidation team, which is composed of the financial department, banks, economic and trade commission, state assets management department, and the department in charge, to make an overall examination of the enterprise assets, creditor's rights, and debts. The banks concerned should take an active part in meeting creditors and protect their legitimate rights and interests. The banks which have collateral should have priority in receiving compensation and banks which do not have collateral should receive compensation according to legal order and proportions.

Sixth, when repaying their debts to the bank, the enterprises operating under various forms, such as merger, the contract system, transformation into a modern enterprise system, the breaking up into several independent enterprises, joint ventures, and leasing, should keep and

set up basic settlement accounts in the original lending banks. They are not allowed to transfer assets or evade their debt repayment responsibilities by transferring their accounts to other banks.

Seventh, with regard to conduct of evading debt such as selling one's property at a low price or illicitly dividing, hiding, or transferring enterprise assets without authorization through illegal manipulation and irrational division, the banks should promptly take legal proceedings and, once the court has given its ruling, they have the right to freeze the enterprise current accounts according to the law.

70,000 Cases of False Statistical Reports Uncovered

HK0303132795 Hong Kong *ZHONGGUO TONGXUN SHE* in Chinese 0730 GMT 23 Feb 95

[FBIS Translated Text] Beijing, 23 Feb (ZHONGGUO TONGXUN SHE)—In a large-scale campaign to overhaul law enforcement of statistics work, which was conducted in China recently, over 70,000 cases concerning statistics in violation of the law have been discovered, of which more than 8,000 cases have been placed on file for investigation and prosecution.

According to a briefing, the illegal statistics activities that have been unearthed reveal that the problem of making fraudulent and deceptive reports is rather serious. There have been more than 20,000 cases involving the provision of false, deceptive, fabricated, and altered statistical data, which account for 27.3 percent of the total. In particular, the phenomena of making false reports about the output value of township and town enterprises and the birth rate are comparatively conspicuous nationwide. As revealed, this is chiefly caused by leading groups in some localities pursuing personal interests by abusing power.

In addition, a total of 32,500 cases involving a refusal to or repeated delays in submitting statistical data have been discovered in the current campaign, which accounts for 44.1 percent of the total. Foreign-invested enterprises, private enterprises, and township and town enterprises are most prominent in this respect. In some localities, statistical organs have been abolished or merged and statistical personnel have been reduced at will. What is more, evil consequences such as the suspension of making statistical reports and the provision of seriously unreliable information have occurred in individual localities.

Output of 'Marine' Industries Rises 28 Percent

HK0503042795 Beijing *ZHONGGUO XINWEN SHE* in English 0151 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—China earned over RMB [renminbi] 140 billion from marine industry last year.

Besides its 9.6 million square kilometres of land, China has over 4.7 million square kilometres of waters, and 18,000 kilometres of coastal line along its land and another 40,000 kilometre coastal line of islands, so that the country is very rich in marine resources.

Since implementation of reform and open-door policy, the marine industry has been developing rapidly in China. Apart from its traditional ocean shipment and fishing, the newly rising industries like off-shore petroleum and natural gas prospecting, sea water breeding, and marine mineral product and chemicals are developing very fast in the country. This batch of industries have become a new driving force for the development of the economy in the country. China saw an progressive growth of 28 percent in its marine output value last year, and its annual offshore petroleum output exceeding 6 million tons.

Beijing Works Out Rules To Govern Advertising

HK0503044995 Beijing *CHINA DAILY* in English 4 Mar 95 p 1

[By Ma Zhiping: "State Works on Ads Guidelines"]

[FBIS Transcribed Text] The State is going to work out criteria and rules to govern the production of advertisements in a bid to help maintain women's images and protect the psychological health of Chinese children.

This will be a step to cope with the rapid development of the advertising industry which is involving more images of women and children, said officials with the State Administration for Industry and Commerce. This is the governmental body overseeing the advertisement sector.

"We have noticed that some advertisements, mostly broadcast through TV, have used improper portrayals of women and children or even abused their images," said Liu Baofu, who is in charge of advertisement administration.

"A typical problem was that some advertisements depicted women in inferior moral images and thus infringe upon women's dignity and traditional values," said the official.

Some advertisements also have carried women's images with obvious sexual prejudice while some others portrayed pornographic inclinations.

Such practices have seriously violated the law protecting the rights and interests of women and children, and the new advertisement law which became effective last month, said Yang Peiqing, Deputy Director of the State administration.

"The State will ban all those advertisements hurting women and children in line with the law," said the senior official. She stressed the mass media must try to eliminate them.

From Thursday six groups of State officials will travel around the country to see whether ad producers and carriers are obeying the new advertising law.

Finance & Banking

Official Says Fund Management Needs More Supervision

HK0503023295 Beijing ZHONGGUO XINWEN SHE
in English 0400 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—An official from the People's Bank of China recently stated that fund investment has a great development prospect but stricter supervision is needed.

There are currently 20 funds listed on securities exchanges of Shenzhen and Shanghai, more than 10 overseas funds issued by Chinese institutions and over 50 "China funds" launched by foreign investors.

Fund market, though established in China for many years, is not active. This is mainly due to scattered nature of investment of many funds, short-term fund investment activities, confusion in fund management and the general chaos of fund market management.

At present, a large sum has been invested in property or banking business. Some investors presumptuously change beneficial bonds into funds for listing in securities exchanges. Some raise money and offer placement at random. Some investors do not distinguish between fund manager and trustee, and some are seriously inadequate in the disclosure of information.

Consequently there is an urgent need for drafting and enforcement of "Measures on funds investment".

Official Urges Improved Operation of Securities

HK0403083995 Beijing ZHONGGUO XINWEN SHE
in English 0444 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—The mechanism involved in China's fledgling securities market is not yet mature and hence, a structural imbalance occurred in supply and demand, according to the Chairman of the China Regulatory Commission Mr. Liu Hongru. Short-term speculation went unchecked which led to instability of the market. Operation of the market was not in a well-coordinated way under circumstances where the market was under decentralized management.

Mr. Liu was convinced that the main task to be undertaken by the commission this year would further put the securities market under proper administration.

First, law and regulations governing the securities market have to be further improved while securities law will be pushed forward to strengthen supervision of the market.

Second, investors will be encouraged to make long-term investment while at the same time excessive speculation will be checked in a bid to reduce market fluctuation.

Third, operation of listed companies will be subject to particular norms. The system for release of information as well as administration of share placement will be improved. Meanwhile rules and regulations will be formulated to put under control takeover, merger and transaction of listed companies.

Fourth, the practice of listings overseas will be cautiously carried out and international cooperation be boosted.

Fifth, strict law enforcement is necessary in a bid to keep order in the securities market with the eventual aim of maintaining an open and fair market.

Sixth, development strategy for the securities market and important policies on the listing of state-owned shares and legal person shares, on the layout of an securities exchange and on over-counter trading will be taken into consideration.

New Legislation To Govern Bank Lending

HK0503022495 Beijing ZHONGGUO XINWEN SHE
in English 0444 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—China will promulgate its first national unified legislation on loan management to be acted upon by the People's Bank of China to strengthen its administration over loan market. It will be applicable to all financial organizations and commercial banks.

The legislation will list clearly loan-scale and loanee, period, interests and liability of both loaners and loanee. The law will be formulated according to experiences of foreign commercial banks and the actual situation in China to make it conform to international practice.

According to sources, total unpaid debts across the country came up to over RMB [renminbi] 3,934 billion by the end of 1994.

Paper Says Foreign Exchange Swap Center Flourishing

OW0303140095 Beijing XINHUA in English 1316
GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (XINHUA)—The total transaction value on the Shanghai-based China Foreign Exchange Swap Center has topped ten billion U.S. dollars over the past two months, according to today's "Shanghai Securities News."

The price of the renminbi (RMB) keeps moving up, but at a slower speed compared with the same period of last year, the paper said.

According to the paper, the Center has concluded transactions totaling 10.13 billion U.S. dollars by February 28, including 9.31 billion U.S. dollars and 6.53 billion HK [Hong Kong] dollars.

The U.S. dollar was traded at 8.4311 yuan on February 28, down 0.0136 yuan from 8.4447 on January 3, while the RMB's price reached 1.0905 yuan against HK dollar, up 0.0007 yuan.

The Center is planning to link two cities of Shantou and Zhuhai in south China's Guangdong Province via computer systems in the near future, increasing the number of such cities to 24.

The Center has now 308 trading members, including 25 nonfinancial institutions, according to the paper.

Column Cites Bankers on Controlling Total Credits

HK0303131095 Beijing RENMIN RIBAO OVERSEAS EDITION in Chinese 15 Feb 95 p 2

[“Readers’ Requests” column by Zhong Heng (6988 3801): “China To Exercise Strict Control Over Total Credit This Year”]

[FBIS Translated Text] Editors’s note: In 1995, China’s reform has entered a new stage, which is characterized by comprehensive coordination, overall progress, and the establishment of a new economic structure.

Last year, in crucial departments and fields, China introduced a series of major reform measures, in finance and taxation, banking, foreign exchange control, the enterprise system, and social security system, which were implemented smoothly. Taken as a whole, the path of economic development has been further defined and a rare chance has emerged in deepening enterprise reform. Just as the new structure is being established and the economy is developing rapidly, the editorial department has opened this “Readers’ Requests” column aimed at helping readers gain a better understanding of the problems of China’s economic growth. Readers at home and abroad are cordially welcome to send letters or cables and to increase contacts so that the editors can, with a definite objective in view, write articles loved by the readers. The first article to meet readers today is “China To Exercise Strict Control Over Total Credit This Year.” [end editor’s note]

Inflation has an extremely strong detrimental effect on the investment environment.

Mr. Thomas Li, a person from Hong Kong who is concerned with China’s investment environment, wishes to know about new measures to curb inflation in China’s financial circles.

The editorial department made a special effort a few days ago to have the following article written.

The main problem facing economic life last year was that inflation was quite serious and continued for a long time. The retail sales index for the whole year was 21.7 percent. This has drawn the widespread concern of

people of all strata at home and abroad. Talking about the question of curbing inflation, Chen Yuan, vice governor of the People’s Bank of China and vice president of the China Securities Industry Association, pointed out: China will take four major measures this year to bring inflation under effective control. The Chinese Government has decided to take the suppression of inflation as its primary task in economic work.

To bring inflation under effective control, the principal measures to be taken this year are: First, to practice an appropriately tight monetary policy and financial policy. Growth in the scale of credit and the scale of bank credit should be lower than last year and so should money supply growth. Second, keep controlling the investment scale, concentrate our limited financial resources on maintaining projects under construction, reduce new construction projects, shorten the construction cycle, and improve economic efficiency. Third increase inputs in agriculture. Agricultural inputs have been seriously inadequate in recent years. Agriculture’s share of fixed assets investment accomplished by state-owned units is less than 2 percent. State finance and banks will increase agricultural inputs this year. Fourth, control the growth of consumption funds to keep its rate of growth below that of labor productivity.

Zhang Xiao, president of the Industrial and Commercial Bank of China, stressed that the bank as a whole will not break the credit ceiling set by head office. Credits will be tightened to enterprises with overstocked products, poor economic results, and no prospect of reversing their loss-making situation. In accordance with the principle of giving top priority to economic efficiency, new credits should be gradually shifted to enterprises with good economic results and strong repayment capabilities, new industries, backbone industries with prospects for development, areas with good economic results, and new economic growth points.

Wang Qishan, president of the People’s Construction Bank, said that fixed asset credits will continue to favor basic industries with development prospects and repayment capabilities. The focus of support will be large and medium-sized capital construction projects winding up production as well as major technological transformation projects. In granting circulation fund credits, priority will be given to supporting large and medium-sized state-owned construction enterprises, supporting industrial and communications enterprises which have ready markets and good economic results, and meeting the rational needs of capital construction projects covered by loans for short-term capital turnover. In granting real estate credits, the focus will be placed on supporting the construction of ordinary residential units and the development of supporting facilities. With regard to projects explicitly restricted by state decrees, such as new high-class guesthouses and office buildings, luxury villas, and high-consumption recreational facilities, granting of credits is strictly prohibited.

Wang Mingquan, president of the Bank of Communications, indicated: In granting credits this year, the Bank of Communications will attach importance to the economic performance of enterprises. We shall focus on supporting new economic growth points, export enterprises, foreign-funded enterprises, and large and medium-sized enterprises which have good economic results, and we will support enterprises trying out the modern enterprise system, and gradually establishing a basic customer group.

Authoritative figures in Chinese economic circles are of the opinion that the inflation issue in China's economic development should be solved by developing the economy and that it is necessary to correctly understand the trend of economic operations in order to remove unstable factors.

At present, the Chinese economy is still in the middle or late stage of its fourth economic cycle since the start of reform and opening up. Taken as a whole, 1995's economic growth has passed its peak period, but it still operates in a rapid range and will be subject to the influence of various unstable factors. If regulation and control measures are appropriate, national economic growth can be expected to stabilize at the rational level of around 9 percent and the range of price increases will also drop steadily. If regulation and control measures are inappropriate, the possibility of abnormal economic fluctuations cannot be excluded either.

In the new year, particular attention should be paid to preventing two tendencies: The excessively relaxed control of aggregate demand will lead to an excessive pickup in social demand and touch off another round of economic overheating. However, if excessive regulation and control is exercised over investment, it will lead to inadequate final social demand, thus impeding social reproduction circulation still further.

Authoritative persons suggest taking 8 percent and 10 percent economic growth as the low and high limits of the safety line that should be grasped in macroeconomic regulation and control and price increases of 15 percent as a macro safety line.

Jiangsu Acting Governor at Banking Meeting OW0403140995 Nanjing XINHUA RIBAO in Chinese 15 Feb 95 p 1

[By Liu Xingya (0491 5281 0068) and Zhu Xinhua (2612 2450 5478): "Comrade Zheng Silin Calls for Making Efforts To Curb Inflation and Support Healthy Economic Development at a Provincial Banking Work Conference"]

[FBIS Translated Text] It is necessary to implement an appropriately tight monetary policy, strengthen banking supervision practically, make efforts to curb inflation, and vigorously raise funds to better support Jiangsu's economic and social development. This was the focal topic discussed at a provincial banking work conference

held in Nanjing yesterday. Zheng Silin, deputy secretary of the provincial party committee and acting governor, delivered a speech at the conference. Yu Xingde, member of the provincial party committee standing committee and vice governor, presided. Lin Zhenxiang, governor of the Jiangsu branch of the People's Bank of China [PBOC], relayed the recent national banking work conference's guidelines. Duan Xushen, vice chairman of the Jiangsu Committee of the Chinese People's Political Consultative Conference, attended the conference. Also participating were more than 1,300 people, including people in charge of provincial, city, and county branches of the PBOC, state-owned commercial banks, other commercial banks, and insurance companies and all provincial-level finance companies.

Zheng Silin fully affirmed Jiangsu's achievements in banking work in 1994. He said: In accordance with the plans and requirements of their respective head offices and controlling corporations, banking departments across Jiangsu strengthened and improved macroeconomic regulation and control; carefully organized implementation of the measures adopted for banking reform; and increased the input of funds through multiple channels, thereby playing an active role in promoting Jiangsu's sustained, rapid, and healthy economic development [jing ji chi xu kuai su jian kang fa zhan 4842 3444 2170 4958 1816 6643 0256 1660 4099 1455] in the past year.

Zheng Silin called on Jiangsu banking departments at all levels to do a good job in handling 1995's banking work in a down-to-earth manner. First of all, they must seek unity of thinking, clearly understand the situation, and carry out all measures aimed at curbing inflation in their banking work. They must resolutely comply with all State Council requirements on bringing the scale of fixed assets investment and the excessively rapid growth of consumption funds under control and exercise strict control over the total amount of monetary credit. Meanwhile, they must coordinate with financial, planning, investment, commodity prices, taxation, and other departments to implement various economic policies and take measures to comprehensively deal with the problem of inflation. Second, it is necessary for them to further deepen the banking system reform. PBOC branches at all levels must further transform their functions; the provincial agricultural development bank must pay close attention to doing a good job of organization and establishment; and state-owned commercial banks must speed up the pace of reform, gradually establish and improve a risk preventive mechanism as well as a self-restricting mechanism, strive to increase assets for extending credit and improve their quality, and prevent the diversion and loss of bank assets. They must consolidate the achievements scored in reforming the foreign exchange system, strengthen control over foreign exchange, and make efforts to enable Jiangsu to strike a balance between foreign exchange receipt and disbursement. It is necessary to expand insurance business, develop an insurance market, and improve it. Other

commercial banks and nonbanking financial institutions must improve operations and management and increase the economic returns of funds in accordance with the requirements of the administration over asset liability ratio. Nanjing must pay close attention to making proper preparations for the establishment of urban cooperative banks to accumulate experience for the reform of urban and rural credit cooperatives across Jiangsu. Third, it is necessary to vigorously organize deposits, open up more channels for extending credit, further optimize credit structure, and inventory available funds. The key sectors to receive credit input this year are (1) agriculture, (2) open economy, and (3) industries that apply more scientific and technological achievements to their production than others do. Banks at all levels must attach importance to giving priority to supporting agricultural production and, in particular, the production of "rice sack" and "vegetable basket"; guarantee the supply of funds for the procurement of main agricultural and sideline products; and ensure that no IOUs are issued in the procurement. Circulating funds must be used to support the production and sales of those state-owned enterprises and major village and town enterprises that have a market for their products, produce economic returns, can generate foreign exchange, and are not overstocked. Fixed assets loans must be offered to guarantee that the need for funds by key state and provincial projects is met and to support such technical transformation projects as are designed to expedite technical advances. Fourth, they must practically strengthen supervision and control over the banking industry, conduct business operations in accordance with the law on their own initiative, and improve banking services. Banking departments at all levels must continue to implement the practice of "agreeing on a three-point law [make a few simple rules to be observed by all concerned]" in a bid to maintain good banking order; resolutely put an end to arbitrary money borrowing, unwarranted pooling of funds, arbitrary increases of interest rates, unauthorized establishment of financial institutions, and other behavior in violation of banking policies, laws, and regulations; accelerate the banking industry's electronization to improve efficiency as well as quality of services; and provide convenient, expeditious, and complete banking services on a par with international practice.

And last, Zheng Silin stressed: As a pivot of social and economic life, the banking industry's role in economic and social development becomes increasingly important. It is particularly important for Jiangsu to successfully conduct banking work because ours is a province whose markets were nurtured and developed earlier than others, which participates in market competition to a greater extent than others, which enjoys more rapid economic development than others, but which is short of resources by contrast with others. Party committees and governments at all levels must take the initiative to meet the needs of the new situation and further strengthen leadership over banking work. Comrades in charge of governments at all levels must work hard to acquire

knowledge on banking, understand banking operations, and support banking work. Banking departments must continue to enhance the good tradition of their work; brief party committees and governments more frequently to win more concern and support from party and government leaders; and further strengthen ties with relevant departments, enterprises, and institutions by taking the initiative to cooperate with them and do a good job of coordination in every aspect of their work. Financial institutions at all levels must be engaged in reasonable and lawful competition with each other to better bring into full play the banking industry's overall functions and fulfill all the tasks for this year's banking work in an all-round way.

Foreign Trade & Investment

Wu Yi Inspects Beijing's Foreign Trade Work

SK0403042195 Beijing BEIJING RIBAO in Chinese 15 Feb 95 p 1

[By reporter Su Jinghua (5685 2529 5478): "Beijing Should Offer Good Experiences and Take a Good Lead in Developing Foreign Trade and Economic Cooperation and in Building Development Zones"]

[FBIS Translated Text] On 14 February, Wu Yi, minister of foreign trade and economic cooperation, led a dozen directors of the departments under the ministry to Beijing's economic and trade sectors to handle affairs on the spot. They also inspected the Beijing Economic and Technological Development Zone that was under construction. Municipal leaders Li Qiyan, Wang Baosen, Ouyang Wenan, Lu Yucheng, Fan Yuanmou, and Yi Xiqun also joined the ranks.

On behalf of the municipal party committee and the municipal government, Mayor Li Qiyan extended a welcome to Minister Wu Yi and department directors for coming to Beijing. He said: Over the past several years, the Ministry of Foreign Trade and Economic Cooperation has given great support to Beijing's work regarding foreign trade and economic cooperation and has given great help to Beijing in utilizing foreign funds and foreign government loans, in developing import and export, and in building enterprises abroad. For this, Li Qiyan expressed his thanks. He added: Beijing's work should further manifest the principle of "serving the central authorities, serving international contacts, and serving the capital's people. He stressed: As a window of opening up, foreign trade and economic cooperation is not the matter of a single sector or a trade, but is a major wheel to bring along the modernization of the whole municipality. He expressed hope that Beijing's foreign trade and economic cooperation will develop even faster with the support and help of central ministries and commissions.

That morning, Minister Wu Yi earnestly listened to the reports made by the municipal economic and trade commission, by the municipal knitwear import and

export group company, by the municipal clothes import and export shareholding company, by the Beijing International Economic Cooperation Corporation, by the municipal five metals import and export company, by the municipal livestock products import and export company, and by the municipal ornaments import and export company. Then, she handled and resolved on the spot the problems submitted by these companies to the Ministry of Foreign Trade and Economic Cooperation for resolution.

Vice Mayor Lu Yucheng emphatically introduced the idea on the plans for Tianjin's foreign economic and trade development in the next three years and, in particular, the idea on utilizing more foreign funds and training economic and trade professionals in line with the principle of improving quality, level, efficiency, and growth rate in coordination.

That afternoon, accompanied by Executive Vice Mayor Wang Baosen, Minister Wu Yi, full of zest, drove to the Beijing Economic and Technological Development Zone, where she visited the Beijing Stone Matsushita Electronics Industrial Company and the Luxue (Beijing) Company and listened to the report on the situation of the development zone. She also readily complied with the zone's request for dealing with import and export businesses.

Minister Wu Yi fully affirmed Beijing's achievements in developing foreign trade and economic cooperation, Beijing's overall plan on developing economic relations and trade, known as "developing large-scale foreign trade, large-scale circulation, and large-scale markets and following the road of industrialization, internationalization, and organizing enterprises into groups," and Beijing's achievements in reforming economic and trade enterprises in line with the modern enterprise system on a trial basis. Then, she expressed the following hopes on Beijing's work regarding foreign trade and economic cooperation: First, Beijing should clearly understand the new situation facing its foreign trade and economic cooperation, enhance its sense of hardship, face up to new challenges, and do solid work to overcome difficulties and fulfill all tasks. Second, Beijing should continue to give top priority to foreign export trade. Beijing's enterprises should strengthen management, intensify internal strength, handle all affairs through arduous struggle and being thrifty, try every possible means to cut consumption and costs, and strive to export more products and earn more foreign exchange. Third, Beijing should further reform its foreign trade system. Beijing was the first to introduce the modern enterprise system with the Fuyitong Holding Company taking the lead. This is a new attempt. Thus, Beijing should provide some good experiences for the whole country. Fourth, as the best area of China, the Beijing Municipality should maintain high quality, a high level, and high efficiency in utilizing foreign capital in order to manifest the standard of the capital and take a good lead for the whole country. Fifth, Beijing should go all out to consolidate the order in

foreign trade management in coordination with the Ministry of Foreign Trade and Economic Cooperation. Sixth, Beijing should readjust its economic structure and transfer some of its projects to central and western areas of the country. This will not only support the economic development of those areas but also enhance Beijing's ability to expand. In addition, Minister Wu Yi emphatically stressed: In the light of the special nature of foreign trade units, Beijing should strengthen education and impose strict restrictions on systems by focusing on opposing corruption and encouraging administrative honesty, in order to prevent malpractice of all kinds.

Wang Baosen thanked Minister Wu Yi for her inspection of Beijing's foreign economic and trade work. He said: Many problems have been resolved this time, and Beijing will conscientiously carry out the opinions and demands set by Minister Wu Yi in a bid to achieve success in this year's foreign trade and economic cooperation.

Planning Commission Sets Controls on Foreign Loans

HK0403081795 Beijing ZHONGGUO XINWEN SHE
in English 0142 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—The State Planning Commission of China has recently put forward four measures concerning overseas loans. The four measures are as follows.

First, besides loans from the State financial organizations or loans between bilateral governments, cash loans, convertible stocks, bonds in the compensation trade and capital raised from overseas funds are also bound by reimbursement terms of contract and have the risk of debts and, therefore, must be included in foreign capital expenditure plan of the State for administration.

The second measure is to strictly control the overall scale of international commercial loans. Every place and department should follow the State industrial policy and the plan of each trade, and appropriately arrange loans within quota of international commercial loans set by the State.

The third is to approve Sino-overseas funded, co-operative and solely overseas-funded projects according to the State industrial policy and regulations. One project is not allowed to be dissected into several parts to evade the approval of the State.

Fourthly, once the quota of international commercial loan is ensured, the applicant should entrust a financial organization, which has been approved by the State and is engaged in international financial affairs with overseas loans, to borrow the money overseas. No government department should act as guarantor or covertly issue any guarantee certificate.

New Chairman Pledges To Continue Overseas Business

HK0603054195 Hong Kong *TA KUNG PAO* in Chinese
27 Feb 95 p A2

[“Special article” on interview with new Shougang chairman Zhang Yanlin by staff reporter Liu Yuch-ying (0491 4727 3841) in Hong Kong, date not given: “Zhang Yanlin Expresses Confidence in Shougang”]

[FBIS Translated Text] Zhang Yanlin, the newly appointed chairman of Shougang Holdings (Hong Kong) Limited, made a detour to Hong Kong for a short visit as he returned from Peru, is frank, straightforward, and out of the common run, like those who are able to shoulder heavy responsibility in the midst of a raging storm. Zhang Yanlin’s famous remark, which has been widely spread among the people in Shougang, is: “Speak out quickly if you have any thorny problems as I cannot work to my heart’s content if there are no problems.”

Regarding the company in which he has taken up the new post, Zhang Yanlin frankly pointed out that as the entire country is advancing, why should Shougang come to a standstill? Shougang’s overseas business, including that in Hong Kong, is the same, its development principles will not be changed, and all the contracts and agreements signed by Shougang and its affiliated companies will also remain unchanged.

The Principles for Developing Overseas Business Will Remain Unchanged

Zhang Yanlin worked in Latin America and North America for more than a year and has returned home from Peru by way of Hong Kong to report on his work. In an exclusive interview with this reporter yesterday, he revealed that this was the first time he had visited Hong Kong and that he had to get acquainted with the local conditions and spend some time doing research. At present, many people are following with interest the development of Shougang and its affiliated enterprises in Hong Kong, which include the future trends of these enterprises, both the listed and unlisted ones. He said: “Regarding this, I can definitely tell you that the head office of Shougang has unequivocally declared the unchanged principles for the development of its overseas business as well as the unchanged principles for steadfastly carrying out reform and opening up. Shougang will continue to march forward in a comprehensive, steady, and staunch manner.”

Certainly, some people are still worried about the influence brought by the Zhou Beifang event. Touching on this issue, Zhang said explicitly: Zhou Beifang is now being investigated by a procuratorial organ in Beijing because of his involvement in a serious economic crime. This is a personal offense and has nothing to do with Shougang or Shougang Concord. “Perhaps, it will be clearer to put it this way: The Zhou Beifang case has no connection with the business or finance of Shougang’s head office in Beijing and its affiliated companies in

Hong Kong. If people say that the case has incidentally produced a certain impact on Hong Kong, then it was the slight fluctuation caused to the Hong Kong stock market. But, judging from the market trends over the past few days, the market has been in a situation of steadily rising,” said Zhang Yanlin.

In addition, Zhang said that he had been to the Joint Stock Exchange the day before yesterday and met the people in charge of the exchange, who had expressed satisfaction with the handling of the Zhou Beifang event. It was groundless to blame Shougang for its late notification to the shareholders after the incident occurred. “We can say without equivocation that as soon as Shougang received the news of Zhou Beifang’s arrest, it immediately notified the Joint Stock Exchange of the incident and issued a circular in this regard. According to the law in China, in such a case as this, it is necessary to notify his family but it is not necessary to notify the unit where he works. However, we did not act in this way because we took into account the interests of Hong Kong shareholders,” Zhang added.

Clarification of Various Rumors

Following the outbreak of the Zhou Beifang event, rumors were spreading far and wide and creating a sensation. For instance, it was said that bank credits for Shougang had gone amiss as several loans had been detained and banks refused to handle them. Regarding such rumors, Zhang Yanlin pointed out: The Zhou Beifang event will not exert an impact on Shougang’s business development. Various kinds of business will be carried on in a planned way and credit operation is a normal one among them.

Besides, some people have linked the Zhou Beifang event to the affair of purchasing the iron mine in Peru in 1992. Being the former chairman of Shougang Peru Iron Mine Company Limited, Zhang Yanlin is one of those best qualified to speak on this issue. He told this reporter that Zhou Beifang was in Hong Kong when the iron mine was purchased. As he was not in charge of Shougang’s overseas business, Zhou Beifang did not participate in any activity concerning the said purchase, which was actually handled by a special group of people.

The Idea of Establishing an Overseas Main Office

The Zhou Beifang event will soon be over without causing an enormous impact on Shougang. Zhang Yanlin was extremely certain about this in his remarks. In his capacity as general manager of Shougang’s headquarters for overseas development, Zhang Yanlin disclosed to this reporter that they had a tentative plan to set up an overseas main office for Shougang. This is primarily aimed at concentrating their efforts on the proper management of Shougang’s overseas enterprises, cutting off the logistic units, and reducing staff in a bid to enhance work efficiency. However, the abovementioned plan is still under specific study and no conclusions have been drawn.

Meanwhile, Li Geng, managing director of Shougang Concord International Enterprises Company Limited, told this reporter that last year, considerable progress in business development was made by the Shougang Concord group and a new record was set by Shougang Concord Steel Holdings Limited in the sales of steel products. Of the total sales of 1.1 million tonne of steel products, 400,000 tonne were sold in Hong Kong, comprising 40 to 50 percent of similar products in the market. At the same time, all the listed companies have made adjustments to their internal structure and have oriented themselves to the needs of the market in three areas covering the principal business, sideline operation, and real estate, so that they are capable of resisting periodic market risks.

He concluded: As regards the financial status of various companies, they have been in sound financial condition up to now and they have adequate funds in hand.

After reporting for work in Beijing, Zhang Yanlin will come to Hong Kong to perform his duties as quickly as possible. He is full of confidence in the future development of Shougang and its affiliated companies. Of course, this confidence also stems from Shougang's powerful strength and solid foundations.

Foreign Investment Exhibits Five New Developments

HK0403083795 Beijing ZHONGGUO XINWEN SHE
in English 0310 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—Recently, five new developments have been seen in foreign investment in China.

1. Investment from international consortia is becoming the mainstream of foreign investment in China.

2. There has appeared a variety of consortia. Divided by countries and regions, they are financial groups from some developed countries and regions including Japan, America, England, France, Germany, Australia, Hong Kong and Taiwan. Classified by trades, they are manufacturing, telecommunications, electrical appliances, finance, trade, traffic and so on. Especially in the financial sector, there have been financial groups from more than 30 countries and regions so far which have established over 200 representative offices and more than 50 business organizations in China.

3. Scale of investment tends to be larger. Foreign investors are more keen on large-scale projects. From last January to July alone, investment of overseas financial consortia in Shanghai reached as high as US\$1.27 billion, while investments in Tianjin, Beijing and Dalian all exceeded more than US\$1 billion. Over 50 financial groups out of 500 top consortia in America have set up their business in China, with total investment of US\$4 billion.

4. Foreign investment has extended from coastal regions to inland China. According to incomplete statistics, 120 overseas consortia have so far invested in 300 items in coastal provinces and cities including Shanghai, Zhuhai, Jiangsu, Hubei.

5. Foreign investors have recently turned their interest from light to heavy industry and focused on petrol, chemical industry, metallurgy, automobiles, as well as airplanes and so on.

Ministry Seeks Foreign Investment in Retail Sector

HK0503022995 Beijing ZHONGGUO XINWEN SHE
in English 0553 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—An official from the Ministry of Internal Trade said that there are basic conditions for the development of chain stores in the Mainland. While focusing on the development of chain stores including supermarkets and shops convenient for residents, China will try running Sino-foreign jointly-funded and cooperation chain stores.

In recent years, chain stores have been developing very fast in coastal and open cities and developed regions in the mainland. The Ministry of Internal Trade is now studying and formulating policies concerning the running of chain stores. In line with the real situation in the country, such stores should be firstly developed in coastal regions and big and medium cities of economic prosperity.

At present, development of chain stores is now focusing on supermarkets and shops selling daily consumer goods, fast food establishments and other service shops. For this purpose, the central government and some local governments will adopt supporting policies on tax collection and loan issuance.

In order to intensify learning and introduction of experience and methods of management of chain stores, the Ministry of Internal Trade is now negotiating with some famous foreign chain store companies, and is preparing for the setting up of one to two Sino-foreign jointly-funded chain stores. Besides, other ways of Sino-foreign cooperation are also under consideration: overseas chain store enterprises will be given the right to run this kind of business in the mainland through contracting, leasing or management on commission of mainland commercial firms; or foreign businessmen will be allowed to invest in construction of goods circulation and distribution centres for chain stores and provide advanced warehouse, transportation and distribution equipment. Foreign businessmen will also be given special permits for running such business in order to gradually set up their chain store system in the country.

Transport Sector Seeks Foreign Investment

HK0403083695 Beijing ZHONGGUO XINWEN SHE
in English 0238 GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (CNS)—China will continue to implement preferential treatments to attract foreign investment in the transport industry this year.

According to Transport Minister Huang Zhendong, foreign enterprises and businessmen, while investing in China's transport industry, will not only enjoy preferential treatments stipulated by the state for foreign-funded enterprises, but also benefit from several special policies. These include China's encouragement for public berths to be constructed and operated by Sino-foreign joint ventures. Terminals specialized for warehouses and specialized channels are allowed to be solely constructed by foreign businessmen. In developing a whole piece of land, foreign businessmen can build and operate some specialized port areas and terminals. China also encourages highways, bridges and tunnels to be constructed by Sino-foreign joint ventures or solely foreign capital.

At present China has two main practices to extend international cooperation in the transport industry. This includes utilizing preferential loans provided by foreign governments and international financial organizations, and secondly, direct investment by foreign businessmen. For example, Shanghai Port, Yantian Port, Tianjin Port, Nanjing Port, Zhangjiakou Port and Guangzhou-Shenzhen-Zhuhai Expressway are all projects involving overseas consortia.

Foreign Exchange Reserves Top \$51.6 Billion

HK0503050295 Hong Kong ZHONGGUO TONGXUN SHE in Chinese 1004 GMT 19 Feb 95

[FBIS Translated Text] Beijing, 19 Feb (ZHONGGUO TONGXUN SHE)—The latest statistics show that China's foreign exchange reserves at the end of 1994 topped \$51.6 billion, raising its world ranking from eighth or ninth place last year to fifth place this year.

Statistics show that China's foreign exchange reserves at the end of last year had tripled compared to the beginning of the year. According to expert opinion, the structure of China's foreign exchange reserves growth is healthy overall.

In terms of international practice, a country's foreign exchange reserves should meet its import payment needs for three months, and total reserves should cover 10 percent of its foreign debt. In China's case, imports and foreign debts total \$40 billion. Experts believe its present foreign reserves meet this standard.

Looking at the foreign exchange reserves of countries and regions around the world, Japan, Taiwan, the United States, and Germany occupy the first four positions, while China's ranking has risen from its former eighth or ninth place to fifth place. Experts estimate,

however, that the rate of growth of China's foreign exchange reserves will decrease this year.

Investors Satisfied With Investment Environment

HK0303150295 Beijing ZHONGGUO XINWEN SHE
in English 1202 GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (CNS)—A recent survey revealed that foreign businessmen were generally satisfied with the investment environment in main cities with Shanghai, Guangzhou, Shenzhen, Dalian, Beijing, Zhuhai, Qingdao, Xiamen and Ningbo at the top of the list. Eastern China still enjoys most foreign investment while western and central parts have yet to be exploited.

The survey was jointly conducted by the information centre of the All-China Federation of Industry and Commerce and a market survey company in 39 cities including Hefei, Wuhan, Chengdu, Changsha, Dalian, Tianjin, Beijing, Qingdao, Shanghai and Xiamen in late 1994. About 1,403 foreign investors running businesses in these cities were included in this survey.

Foreign investors expressed their satisfaction at the policy worked out by local governments on encouraging foreign investment as well as with the stability of such policy. However, they were less satisfied with efficiency regarding local administration and with law protection for foreign businessmen. Some foreign investors would rather choose to invest in cities where fewer preferential policies are offered but with higher efficiency. Foreign businessmen were generally satisfied with convenience provided by labour force while lower marks were given to quality of labourers. On hardware conditions such as infrastructural facilities, foreign investors were satisfied with postal and telecommunications services but transport had yet to be improved. On software conditions, foreign businessmen were dissatisfied with local market research and consultation service which they were convinced were far behind the international level and did not meet their needs.

It cannot be a perfect success bringing in foreign businessmen only by means of enhancing the extent of preferential treatment. Implementation of policy and efficiency should be upgraded in a bid to attract high-quality foreign investment. Coastal cities in eastern China though possessing abundant quality labour resources have in recent years seen a rising cost of labour force. Foreign businessmen have kept their eyes on high technology and capital intensive industries there. With rich resources and lower cost of labour force plus state investment policy centred on western and central regions, these regions will show prospects for labour intensive industry. As the purchasing power shown in western and central areas accounts for about 60 percent of the total across the country, exploitation of these areas will be eagerly undertaken by foreign investors hungry for the China market.

The survey indicated that among extraordinarily large cities in terms of the scale of personnel involved, Shanghai, Zibo, Guangzhou, Dalian, Beijing, Shenyang, Jinan, Hangzhou, Chengdu, Kunming, Tianjin, Changsha, Qingdao, Nanjing, Wuhan, Chongqing and Xi'an were ranked at the top of the list for their sound investment environment. In the category of large cities, Shenzhen, Luoyang, Liuzhou, Ningbo, Suzhou, Hefei, Wuxi and Shantou occupied leading positions. As for medium-sized cities, Zhuhai, Foshan, Xiamen, Huizhou, Jiangmen, Haikou, Zhuzhou and Zhenjiang were ranked at the top of the list. Weihai and Sanming topped the category of small cities.

IBM to Build Information Network in Shanghai
*OW0403141095 Beijing XINHUA in English 1255
GMT 4 Mar 95*

[FBIS Transcribed Text] Shanghai, March 4 (XINHUA)—Jiaotong University in China's largest city says that it hopes that its recent cooperation with IBM can give a push to China's education and scientific research.

The university, one of the most famous in China, recently signed a contract with the IBM Corporation to set up China's first Asynchronous Transfer Mode Local Area Network (ATM LAN), which transfers information, including voice, data, and images, for educational and research institutes.

President of the university Weng Shilie said that he regards the cooperation as a breakthrough in "adopting information technology to help develop China's education sector".

"We are very glad to see such advanced technology used in China," said K.S. Ip, director of education of the IBM Greater China Group, adding that IBM will make even greater efforts to support China's education sector.

The ATM LAN is expected to connect all universities and colleges, as well as research institutes and even primary and middle schools in Shanghai and the provinces of Zhejiang, Jiangxi, and Fujian by the end of this century.

The network will also connect with the China Education and Research Network (CERNET), which is under construction, and the world-wide Internet.

General Motors Vice President Inspects Joint Venture

*OW0303150495 Beijing XINHUA in English 1449
GMT 3 Mar 95*

[FBIS Transcribed Text] Shenyang, March 3 (XINHUA)—L.G. Hughes, Executive Vice-President of the General Motors, said here today that his Corporation hopes to become a "very big investor" in China.

Hughes made the remark in an inspection tour to a joint-venture set up by Shenyang Golden Cup Corporation and the General Motors.

He said he is confident with the further cooperation between General Motors and the Golden Cup.

Hughes and his party arrived here yesterday from Shanghai, China's largest economic center.

Beijing Makes Progress in IPR Protection

HK0303132395 Beijing XINHUA Domestic Service in Chinese 0352 GMT 3 Mar 95

[By Huang Wei (7806 1218)]

[FBIS Translated Text] Beijing, 3 Mar (XINHUA)—Reporters have learned from the recent Beijing Municipal Intellectual Property Rights [IPR] Work Conference that the municipality has made relatively great progress in IPR protection work.

Over the past several years, Beijing Municipality has consistently grasped IPR protection and views it as an important task. The municipal government has established an IPR work conference system which is attended by a dozen departments and is charged with responsibility for studying and coordinating important policies and matters related to IPR work throughout the municipality. At the same time, the municipality has promulgated local regulations and detailed rules such as "Several Regulations on Management of Patents," "Methods To Mediate Patent Disputes," "Regulations on Management of the Cultural Market," and "Regulations on Management of the Technology Market." It has also established corresponding management organs and judicial and arbitration organs to enable management in this area to form a network and come into the orbit of the law.

Since last year, Beijing Municipality has also strengthened propaganda on knowledge about IPR laws, as well as having increased the weight of law enforcement. Apart from training professional law enforcement personnel, the municipality has conveyed IPR protection knowledge to hundreds of thousands of people through television forums, training classes, consultations, and other propaganda activities. At the same time it has sorted out and cracked down on the laser disc and compact disc markets, which had serious copyright piracy problems. According to incomplete statistics, the municipality has inspected some 200 audio visual products shops, banned over 100 illegal stalls, and seized over 20,000 pirated laser discs and compact discs.

Fujian Works To Improve Investment Conditions

*OW0603064895 Beijing XINHUA in English 0609
GMT 6 Mar 95*

[FBIS Transcribed Text] Fuzhou, March 6 (XINHUA)—Southeast China's Fujian Province has been improving its investment conditions in order to attract more overseas capital, local sources said.

Fujian was among a few pilot provinces for national reforms and opening up wider to the outside world and

has made considerable efforts in improving its infrastructure over the past 16 years, making the province a favorite for overseas investment.

By the end of 1994, it had approved a total of 15,823 overseas-funded enterprises involving a contract investment of 29.69 billion U.S. dollars, and the actual amount of the investment used was 9.69 billion U.S. dollars.

Of the joint undertakings, 8,005 have gone into production, resulting in industrial output valued at 48.7 billion yuan, accounting for 44.8 percent of the province's total.

However, the problems arising in the investment environment there have also been on the increase along with the number of overseas-funded enterprises.

Among the problems are tedious formalities, lack of efficiency in the work and the society, and lack of regulations and rules, affecting the confidence of overseas business people.

To tackle the problems, the provincial government has decided to streamline its charges for overseas-funded enterprises in order to control the arbitrary collection of fees, and to improve the registration of overseas-funded enterprises while simplifying the formalities and improving service, as well as punishing those who tamper with the rights of overseas-funded enterprises.

The province is working out a series of regulations and rules to better protect the interests and the management of these enterprises.

Tianjin Strives To Improve Foreign-Funded Ventures

OW0503141795 Beijing XINHUA in English 1236
GMT 5 Mar 95

[FBIS Transcribed Text] Tianjin, March 5 (XINHUA)—North China's port city of Tianjin is striving to improve the management and economic results of its 8,000 foreign-funded joint ventures, according to a local foreign economic and trade official.

In a bid to increase the economic gains of the overseas-funded companies, the city will redouble its efforts to reinforce the governmental functions of supervision and management over them in accordance with laws, he explained.

Li Qingsheng, director of the Foreign-Funded Enterprise Management Department under the Tianjin Municipal Commission of Foreign Economy and Trade, said that a number of rules and regulations concerning the management of foreign-funded joint ventures have been enacted in Tianjin over the past several years.

This year, efforts will be focused on implementing these rules and regulations to ensure that foreign-funded companies have access to necessary capital and go into operation on schedule.

According to official with the local administrative department of commerce and industry, by the end of January this year the city had revoked the licences of 265 foreign-funded firms for delaying capital, and 23 such debt-ridden companies were banned because of poor management.

The city labor management department made an inspection of the implementation of labor laws and regulations for overseas-funded companies and established an unemployment insurance and pension system covering all workers working in foreign-funded firms.

Recent figures show that, of the more than 8,500 authorized foreign-funded joint ventures, 2,400 are in operation. In 1994, the total turnover of these ventures reached 30.3 billion yuan, with an output value accounting for 24 percent of the city's industrial total, and exports for about 37 percent of the city's total.

Li said that the aim of strengthening the management of the foreign-funded companies in accordance with the law is to enable the foreign-funded projects to make a return in a shorter period of time.

Thanks to efforts to reinforce management, the actual use of foreign investment last year reached one billion U.S. dollars, and total profits of the overseas-financed companies topped 3.6 billion yuan, double the figure of 1993.

The official said that by the end of January this year, 230 foreign-funded joint ventures in the city had added to their investment.

Foreign Investors View Xinjiang Mineral Reserves

OW0503014495 Beijing XINHUA in English 0133
GMT 5 Mar 95

[FBIS Transcribed Text] Urumqi, March 5 (XINHUA)—A number of foreign firms have come to the Xinjiang Uygur Autonomous Region to discuss joint development of local mineral resources.

The Ministry of Geology and Mineral Resources has recently decided to earmark an additional 7.5 million yuan this year for geological prospecting in northwest China's Xinjiang, which is rich in mineral resources.

The fund will account for one eighth of the national total additional financial allocations for prospecting this year.

Xinjiang boasts 122 known minerals, 73.9 percent of the world's total. Its reserves of 20-odd minerals including coal, petroleum, gold, copper, nickel, and platinum rank first in China.

Businessmen from the United States, Canada, Australia, Thailand, Japan and the Republic of Korea have visited Xinjiang to explore ways of cooperation in joint development of natural resources.

Alan R. Hill, an executive with the American Barrick Power Company, one of the 10 largest gold producers in

the world, recently signed a contract with the government of the Kirgiz Autonomous Prefecture of Kizilsu for the co-exploitation of gold at the western end of the Tianshan Mountains.

The local government is drawing up regulations regarding Sino-foreign cooperation on prospecting.

Zhejiang Maps Out Plan for Economic Development

OW0503141995 Beijing XINHUA in English 1243
GMT 5 Mar 95

[FBIS Transcribed Text] Hangzhou, March 5 (XINHUA)—East China's Zhejiang Province has mapped out a plan for the future economic development, which is aimed at opening still wider to the world.

It will put stress on developing energy resources, electricity, heavy, chemicals and high-tech industries, improving light and textile industries and speeding up services trades, according to Yang Zucheng, director of the Provincial Committee of Foreign Trade and Economic Cooperation.

The province has now two open coastal cities, 34 open counties, eight state-level development zones and 50 province-level development zones. The open areas account for 44 percent of the province's total, involving 63 percent of the total population and 77 percent of its gross domestic product.

Its relations with foreign countries have been developing rapidly. Now 30 cities have forged the bond of friendly ties with foreign cities. The province has set up economic ties with more than 150 countries and regions and opened over 130 trading agencies and more than 180 productive enterprises in Hong Kong, the United States, Japan, Singapore, Britain, Germany, Brazil and Mexico.

Yang noted that Beilun Port in Ningbo, one of China's earliest ports to be opened to the world, can handle 150,000-dwt [deadweight ton] vessels. A communication network combining railways, highways, waterways and air routes has taken shape in the province, which has a relatively good basis and its investment environment keeps improving.

Over the past few years, about one-fourth of the province's products were sold abroad, Yang added. Meanwhile, Zhejiang has imported large quantities of production and living materials.

In 1994, the province reported over 8.4 billion U.S. dollars worth of imports and exports, a rise of 37.6 percent. The categories of export commodities reached some 2,000, including silks, tea, textile products, clothes, foodstuff, handicrafts, machinery, electronics, daily-use light industrial goods, pharmaceuticals, chemical and animal products. The manufactured goods accounted for 82 percent of the total exports. Among the major imported commodities are iron and steel, iron ore, rubber, petrochemicals, wool, synthesized fibre, timber

and electronic instruments. Hong Kong, Japan, the United States and EEC members have become its major trading partners.

So far business people from more than 80 countries and regions have come to invest in Zhejiang. By the end of last year, it had approved 10,723 foreign-funded enterprises, involving over 10.3 billion U.S. dollars in contractual funds. The foreign-funded enterprises made up some one-third of the province's exports and their shares are increasing.

The province's gross domestic product registered an annual growth rate of 13 percent, 3.5 percent higher than the national average from 1980 to 1993. In 1994, its gross domestic product rose by 21.3 percent to 265 billion yuan.

The opening-up has played a vital role in the economic growth, Yang said. The province has canceled all mandatory plans and its economic operation is basically achieved through the market.

The province aims to increase its gross domestic product by over ten percent annually during the run-up to 2000, Yang said.

Chengdu Courts Protect Intellectual Property Rights

OW0503141595 Beijing XINHUA in English 1347
GMT 5 Mar 95

[FBIS Transcribed Text] Chengdu, March 5 (XINHUA)—People's courts in this capital of southwest China's Sichuan Province exert themselves to protect the intellectual property rights according to law, according to local sources.

Since 1990, a total of 99 lawsuits on the infringement of intellectual rights have been accepted, and 70 of them settled. It is disclosed that 80 out of these lawsuits were dealt with and 61 settled in the past two years, making up 80 and 89 percent respectively. This indicates that the cases of this type is on the rise, whereas legal actions to crack down the infringement in this regard have also been stepped up.

In the 70 lawsuits which have been settled already, 42 were entangled with patent disputes, 15 with copyright infringement, two with brand disputes, and another 11 cases involving other categories. Prompt and proper court judgements in tackling these cases have drawn positive repercussions in society.

In dealing with this new type of lawsuits, local courts inquired of some specialists' opinions, and conducted careful investigations into them, and handled them in line with the relevant laws and regulations.

Sources revealed that the city's intermediate people's courts will formerly set up an exclusive collegiate bench dealing with the copyright infringement, the first of its kind in southwest China.

Agriculture**Jiang Zemin, Li Peng Discuss Agriculture**

OW0303134295 Beijing XINHUA Domestic Service in Chinese 1300 GMT 27 Feb 95

[By RENMIN RIBAO reporter He Jiazheng (0149 0502 2973) and XINHUA reporters Jiao Ran (3542 3544) and Zhou Zongmin (0719 1350 2404)]

[FBIS Translated Text] Beijing, 27 Feb (XINHUA)—Jiang Zemin, general secretary of the CPC Central Committee; Li Peng, Standing Committee member of the CPC Central Committee Political Bureau and State Council premier; and Zhu Rongji, Standing Committee member of the CPC Central Committee Political Bureau and State Council vice premier; made important speeches at a central rural work conference this morning, discussing ways and means to improve agriculture and rural work and other issues. Jiang Zemin emphatically pointed out: Under the new situation of developing a socialist market economy, it is imperative to handle agriculture, rural work, and farmers' problems correctly. All party members must pay greater attention to agriculture and rural work.

Jiang Zemin said: In less than two years, since October 1993, the Central Committee has held three conferences on rural work, with each meeting emphasizing the important position of agriculture and rural work. Why has the Central Committee repeatedly emphasized this problem? It is chiefly because developing a socialist market economy and promoting agriculture in the process of developing a socialist market economy are new questions requiring serious study and investigation by all party comrades. The development of agriculture and rural economy faces both favorable opportunities and new contradictions in the historic course of establishing the socialist market economic structure in China. On the one hand, agriculture is the most important basic industry of the national economy. The more the economy is developed, the greater demand the whole society will have for farm products and the more it will depend on agriculture. On the other hand, agriculture is a tender-constitution industry [ruo zhi chan ye 1726 6347 3934 2814] of high social benefits and low efficiency in itself. For this reason, agriculture needs more support and protection, especially at times when the economy is more developed and when industrialization gains momentum. This is an objective law already proven by history.

Jiang Zemin pointed out: Judging from practice in recent years, due to inadequate efforts to solve problems related to ideological understanding and overall arrangements, not enough protection and support have been given to agriculture and policy measures already adopted have not been implemented to the letter. At the same time, gaps between the growth of industry and agriculture, between the incomes of rural and urban residents, and between levels of economic development of developed

and underdeveloped regions are widening. If gaps in these three areas continue to widen, they will cause serious consequences. First, the contradiction between supply and demand in agricultural products will be sharpened, thus triggering continuous price rises and intensifying inflationary pressure. Second, the slow growth of farmers' incomes will make it difficult for us to achieve according to schedule the goal of comparatively well-off living standards for farmers. This will not only dampen the enthusiasm of farmers at large but also impede the entire process of socialist modernization construction. Third, if the level of farmer's purchasing power remains low and the rural consumer market cannot be expanded or even shrinks, the development of industry and the national economy as a whole will be directly curtailed. Fourth, excessive gaps between the economic development of urban and rural areas and between regions will lead to an enormous disparity between the poor and the rich and will cause serious imbalances in the entire economy and society.

Jiang Zemin said: The aforementioned circumstances explain that under the historic condition of establishing a socialist market economic structure—strengthening marcoeconomic regulations and control, providing vigorous protection and support for agriculture, and promoting a coordinated development between agriculture and industry, between urban and rural areas, and between the economy of the eastern region and central and western regions—have a vital bearing on the overall situation in China's reform, development, and stability, on the success of the entire modernization drive, and on the consolidation of the socialist regime. All party comrades, especially middle- and high-ranking cadres, must proceed from the strategic height of the overall interests and achieve greater unity in understanding, determination, and action on such an important issue, taking practical actions instead of paying lip service to strengthen the position of agriculture as the foundation of the national economy, mobilizing the strength of all trades and professions, and adopting resolute and effective measures to promote agricultural development, the prosperity of farmers, and social progress in rural areas, thereby realizing the established goal.

Discussing the main goals in the development of agriculture and the rural economy, Jiang Zemin said: We must try everything we can to win a bumper agricultural harvest this year, and must pay particular attention to grain production. In a large country with 1.2 billion people like China, we must be self-sufficient in grain and must strike a basic balance between supply and demand. We must have both a political and a strategic understanding of the special importance of the grain issue. In recent years, some developed coastal regions have had to purchase large amounts of grain because of a drastic drop in the acreage sown with grain crops and of decreasing per-unit yields. Such a trend must be reversed immediately. The starting point for every province to solve the

food problem is increasing local grain output and, first and foremost, ensuring a comparatively large increase in grain production this year.

Jiang Zemin said: We must see to it that grain production reaches 1,000 billion jin and farmers lead a comparatively well off life during the Ninth Five-Year Plan period. To achieve these two goals, determined efforts must be made to readjust the structure of the national economy and the distribution pattern of people's incomes. The development scale and speed of the entire national economy and the ratio between the input of funds into the two major categories of industry must be arranged under the premise of ensuring a sustained, stable development of agriculture. We would rather temporarily suspend the construction of a few projects than fail to guarantee the urgent needs for agricultural development.

Jiang Zemin said: The social condition of the countryside is of great significance for national economic and social development, since farmers account for the majority of the country's population. Therefore, in carrying out work in rural areas, we must always adhere to the principle of giving equal emphasis on two fronts and doing well in both. While promoting rural economic construction, we must pay close attention to the building of socialist spiritual civilization and to the promotion of democracy and the legal system in the countryside. In adhering to the principle of giving equal emphasis on two fronts, we should, first and foremost, strengthen the building of grass-roots organizations in rural areas. This is the fundamental guarantee for implementing the party's principles and policies and promoting reform and development in rural areas, as well as the important "basic project" of the great project of party building in the new era.

In his speech, Jiang Zemin urged party committees at all levels to strengthen and improve leadership in rural work and to meet the following requirements:

1) As far as the guiding ideology and work plans are concerned, we must truly make agriculture the top priority of economic work. This must not only be stressed verbally but also be carried out with concrete actions. In working out plans, we must see to it that agriculture be given top priority. In making investment decisions, we must ensure the needs of agriculture first. In arranging work, we must first make arrangements for rural work. In examining economic work, we must first check the condition of improvement in agriculture and the rural economy. If leaders neglect the "vegetable baskets" and "grain bags" and cannot increase farmers' incomes, they are not qualified leaders.

2) Principal leading comrades of party and government organizations should earnestly take up the responsibility and implement a strict responsibility system. Provincial party secretaries and governors will be held responsible for problems related to the "grain bags" in their own provinces, while city party secretaries and mayors will be

held responsible for problems related to the "vegetable baskets" in their own cities.

3) Under the unified leadership of party committees and governments, all departments and trades and professions should work conceretedly and take steps in unison to form a powerful cohesive force to support agriculture and rural work. Planning, finance, banking, industry, science and technology, and internal and foreign trade departments should take effective measures and bring their functions into full play to make their share of contributions to increasing the production and revenue of agriculture. All agriculture-related departments should regard serving farmers as an important duty, and they should by no means be allowed to seek selfish departmental interests to the detriment of farmers' lawful rights and interests.

4) Policy measures for strengthening agriculture should be implemented to the letter, because this not only concerns the development of agriculture and the rural economy but also the prestige of the party and the government among the masses. From now on, policy measures, once made known to the masses, should be fully implemented in order to ensure that "promises are kept and resolute actions are taken," thereby winning the people's trust.

5) Leaders at all levels should go down to the grass roots and among the masses to earnestly solve practical problems. The economic and social development in rural areas requires a large number of cadres to work in the country to carry out penetrating, meticulous ideological work, to offer guidance, and to render service. Leading cadres of party and government organs should learn from the masses with an open mind. They should do solid and effective work to help grass-roots units solve the masses' concerns and outstanding problems standing in the way of rural reforms and development, thereby continuously promoting new progress in rural work.

Jiang Zemin said: The central authorities have already worked out plans for this year's rural work. All guiding principles, tasks requirements, and policy measures have been made clear; now what we need is to implement them without fail. What needs to be stressed is still the saying: Implementation, implementation, and implementation again.

At the conference, Premier Li Peng made a speech, entitled "Increase Grain and Cotton Production To Create a New Situation in the Rural Economy."

He said: The task of agricultural production this year is a very hard one. However, we should notice that there are quite a number of favorable conditions for fulfilling this year's agricultural production task. First of all, farmers' enthusiasm for agricultural production has reached a new height. Farm products are experiencing an exuberant market demand throughout the country. Farmers are very enthusiastic about production as they have enjoyed obvious increases in their incomes.

Second, both the central and local governments have paid attention to reinforcing agriculture by increasing the input into agriculture. The input into agriculture from the central government's budgetary funds, capital construction investments, and credit funds will be increased this year. These funds plus the increased input into agriculture by local governments at all levels will add up to more funds available for agricultural use this year.

Li Peng said: We will be able to achieve a bumper harvest this year and realize the agricultural development targets for the 1990's as long as the whole country earnestly carries out the central authorities' principles and policies for reinforcing agriculture and implements the guidelines of this conference.

He said: The solution to problems related to grain and cotton will, in the final analysis, depend on whether principal leaders of party and government organs at all levels really attach importance to agriculture in their thinking, whether they really put it on top of the national economic agenda, and whether they exert great efforts to solve problems. If they do, problems related to grain, cotton, and agriculture as a whole can be resolved. The central authorities have demanded that governments at the provincial level bear the responsibility of balancing local grain supply and demand and of solving the province's own food problem, and that a provincial governor's responsibility system for the "grain bags" be established. This is a crucial point for solving the food problem. Negligence by some local leaders in grain production, their failure to increase the input into agriculture, and to curb the excessive occupation of cultivated land in recent years are directly related to the absence of the provincial governor's responsibility system. Should the practice of "everyone eating from the same big pot" of grain be continued and should the governor's responsibility system not be established in grain production, it will be difficult to change the situation in which little attention is paid to agriculture. Meanwhile, governments at all levels, especially governments of large and medium cities, should pay close attention to promoting the "vegetable baskets" to ensure the supply of nonstaple food.

On the issue of investment in agriculture, Li Peng pointed out: We should not only increase the input into agriculture, but also should match our words with deeds and try to focus funds on key projects. Investment measures worked out by the party Central Committee and the State Council should be carried out resolutely and to the letter. Different from the second and tertiary industries, agriculture is characterized by its seasonal nature. Should the investment not be put in place on time, missing a season will mean losing a year. With limited capital for agriculture, we should make sure that key projects are guaranteed.

Li Peng said: The fundamental solution to the development of agriculture is to rely on science and technology

to raise per-unit yield as well as increase gross output. At present, agricultural science and technology accounts for about 35 percent of the elements leading to agricultural growth, which is only half the level of advanced countries. Such a situation indicates that there remains great potential for science and technology-induced agricultural growth in China. Our aim is to lift this ratio to 45-50 percent by the end of this century. The pressing task at the moment is to speed up the popularizing and applying the advanced and applicable technology which can evidently increase grain output. Both the central and local governments should put money into the fund for popularizing science and technology, have a stable contingent for this purpose, and ensure the spread and use of agricultural science and technology. Li Peng said: The key to assuring basic self-sufficiency in grain is to properly manage major grain-producing areas which are suitable for developing grain production and have the potential for increasing output. We must evoke the enthusiasm of local governments and farmers in these areas to expand grain production. At the core of the issue is to raise the relative efficiency of grain production and to build a highly efficient agricultural system. This system is aimed at developing—on the basis of grain production—the breeding industry by using grain and its by-products, bulk stacks in particular; and—on the basis of the breeding industry—the processing, transporting, marketing, and servicing industries for meat, poultry, eggs, milk, leather, fur, and other products; to form industrial chains and enterprise groups; and to realize multi-level, value-added highly efficient targets. We should adopt policies offering incentives and support to major grain-producing areas which have made great contributions. From now on, grain-producing areas should increase the export of processed and transformed farm products [instead of grain itself] in order to retain in the locality as much added value from the processing as possible. At the same time, they should develop village and township enterprises in order to fundamentally change the situation of being seen as big counties for grain production, but as small counties in terms of industry and poor counties when measured by financial revenue.

On the transfer of surplus rural labor, the premier pointed out: Transferring surplus rural labor to the second and tertiary industries to form small cities and towns will help improve the overall quality of the population, change people's ideas about child-bearing, and control the growth of the population. This is the only way to realize the simultaneous growth of the economy and the society. The transfer of the surplus labor follows the principle of transferring mainly in the locality and to the nearby areas, supplemented by orderly transregional transfers as deemed appropriate. The surplus labor should be absorbed locally by developing village and township enterprises and other nonagricultural endeavors. China has been successful in realizing prosperity in the countryside and preventing the rural population from pouring into the urban centers by setting up

small cities and towns and developing township enterprises. The success must be continued.

Li Peng emphasized: We should constantly tap the potential of natural resources to create the conditions for realizing the long-range goal for developing agriculture. The long-range strategic goal is dictated by our national condition, that is, we should build an agricultural system which saves resources. First of all, the whole of society must save water. We should energetically develop irrigation techniques for saving water, cut back the exploitation of ground water, and fully store and utilize natural rainfall through applying engineering and biological devices to turn water disaster to benefit. Second, the whole society must save land. We should strictly control the scale of urban construction, various kinds of development zones, village and township enterprises, and use of land for farmers' housing construction. We should set up a strict system of protecting capital farmland. Third, the entire society must save grain. We must use the rich resource of stocks to feed livestock, vigorously develop the aquatic industry, and change the diet structure. We should also save grain for industrial use.

In response to questions raised by conferees, Zhu Rongji, Standing Committee member of the CPC Central Committee Political Bureau and State Council vice premier, made an important speech on policies related to the reform of the procurement and marketing systems of grain, cotton, and chemical fertilizers.

Other leading comrades of the party Central Committee and the State Council who attended the conference were Hu Jintao, Ding Guangen, Li Lanqing, Li Tieying, Wu Bangguo, Zou Jiahua, Jiang Chunyun, Qian Qichen, Wen Jiabao, Ren Jianxin, Chi Haotian, Song Jian, Li guixian, Chen Junsheng, Ismail Amat, and Peng Peiyun. Jiang Chunyun chaired this morning's session.

Commentary Views Agricultural Problems

OW0303144795 Beijing XINHUA Domestic Service in Chinese 0708 GMT 25 Feb 95

[Commentary by XINHUA reporters Cao Shaoping (2580 4801 1627), Jiao Ran (3542 3544), and Wang Yanbin (3769 6066 1755): "After the Warning Alarm Is Sounded"]

[FBIS Translated Text] Beijing, 25 Feb (XINHUA)—In the winter of 1993 grain prices shot up suddenly. A jin of rice, used to be a few cents, rose to more than one yuan in a twinkle. The "pounding wave" that arrived suddenly shocked people at all levels. Following on the heels of what had happened were serious flooding and drought in some localities, and the prices of farm produce remained high.

The Warning Alarm Should Arouse These Reflections From People: With Money, You Can Buy Grain, but You Cannot Buy an Efficient Agricultural Production Base; Under the Condition of a Market Economy, Agriculture, as a Special Industry, Needs To Be Particularly Protected.

During the meetings of the National People's Congress [NPC] and the National Committee of the Chinese

People's Consultative Conference [CPPCC] last year, NPC deputies and CPPCC members were worried about the state of agricultural production in China and sharply criticized the its neglect in some localities. Some deputies pointed out: We should be concerned about our country's state of agricultural production. If there is a problem in our agriculture, the entire country will suffer inestimable losses.

As early as the 1980's, Comrade Deng Xiaoping warned the party: "If a problem should occur in the economy in the 1990's, it may be a problem in agriculture." In recent years the party Central Committee have attached special importance to issues concerning agriculture, the countryside, and farmers. During the six-month period from October 1993 to April 1994, the CPC Central Committee convened two national conferences on rural work, during which it drew up a number of important policies and adopted effective measures in connection with the questions of supporting agricultural production, protecting farmers' interests, and enhancing their initiative. The party Central Committee and the State Council are determined to consolidate the status of agriculture as the foundation of the national economy under the socialist market economy.

The majority of our comrades support and understand the central authorities' strategic policy decisions, but some comrades were inattentive to these decisions, and some localities even changed "attaching importance to agriculture" to "slogan agriculture." Addressing the Second Session of the Eighth NPC, a deputy quoted a couplet written by a peasant: "Today meeting, tomorrow meeting, we have a meeting everyday"; "You also speak, I also speak, and everybody speaks"; "Who is going to carry out the plans?"

In the course of accumulating experiences, people invariably learn from both positive and negative ones. In 1994, 180 million mu of farmland were damaged by flooding, and several hundred million mu by drought. Because of drought, 36 million mu of farmland yielded no harvests. Because of the colossal losses caused by natural disasters, people cannot but look squarely at reality: Up to now China's agriculture has been and still is the weakest link in the national economy.

The "grain shock wave" was pounding the southeastern coastal regions, and the most seriously affected province is Guangdong. A few years ago, along with the development of a market economy, some people in Guangdong took the view that "grain cannot be bought with money." The results of neglecting agricultural production were: "the money purse" expanded while the "rice sack" became flat. In 1993, Guangdong's total grain output declined to 16.3 billion kilograms [kg]. A calculation by comrades in the province showed: Guangdong has a population of 65 million plus over 10 million of floating population, who will consume 18.7 billion kg of grain a year. The grain shortage will be even more striking if grain for feed and industrial use is added. Needless to

say, it will be difficult to buy such a large amount of grain, and even if the amount is purchased, transportation will be a problem. According to an estimation by a relevant department, 100 freight train carriages are needed each day to provide transport services for the "daily three meals" of the floating population. Practice has enabled leading cadres in economically developed areas to understand a simple principle: Money can buy grain, but it cannot buy a down-to-earth agricultural production base.

Natural disasters have taught cadres and the masses a lesson, making them sober and smart. Responsible comrades in many provinces, autonomous regions, and municipalities directly under the central government have had a new understanding of agriculture as the base under the socialist market economy. At least, they have reached a consensus on the following three areas:

- As ours is a huge country with 1.2 billion people, nobody can help us if a problem occurs in grain production. We can only feed ourselves by relying on ourselves. Agriculture must be made the priority task in the economic work of both economically developed and economically underdeveloped areas.
- As an industry, agriculture is bound to enter the market, yet it is an industry which yields high social benefits but fairly low economic returns. To enhance agriculture's social benefits and maintain market stability, price stability, and social stability, it is necessary to introduce special measures to aid agricultural production.
- Agricultural production can be effectively promoted only when the farmers' initiative for production is integrated with the corresponding investment and application of science and technology.

The Warning Alarm Has Aroused People To Exert Themselves: A New Atmosphere of Attaching Importance to Agriculture and Concentrating on Agricultural Production Has Emerged at All Levels in the Country; China's Agriculture Has Ushered in a New Opportunity for Development.

The "warning alarm" has helped people to free themselves from the mistaken notion about "slogan agriculture" and to begin taking concrete action.

Although a conference on rural work is held by the central authorities almost every year, this year's conference was different from those of previous years. One and a half months ago, the General Office of the CPC Central Committee issued a circular asking the provinces, autonomous regions, municipalities directly under the central government, and relevant central departments to check whether they have genuinely given agriculture top priority in their economic work, whether they have made up their minds to increase investment in agriculture, whether they have concentrated on improving agricultural and rural work, and whether they have carried out seven other requirements.

Information collected thus far indicates that there are clear trends that many localities have strengthened agricultural production recently:

There has been a conspicuous increase in agricultural investment. Investment in farmland capital construction arranged by the State Planning Commission last year rose by more than 40 percent, a phenomenon rarely seen in recent years. In line with the plan of the central authorities, various localities have drawn up policies and measures to aid agricultural production and have increased investment in farmland capital construction. The State Council has decided to assist, with loans at discount interest, 673 counties and reclamation areas that are large producers of grain and cotton to invest in building demonstration areas which have developed a highly efficient type of farming that provides greater and better yields in various parts of the country. The project is being implemented in an all-round way.

A large increase in the purchasing prices of major farm produce has enhanced farmers' initiative in growing grain. Last year, the state successively raised the purchasing prices of grain, cotton, and other major farm produce, with the price of grain going up by an average of 0.24 yuan per kg, and that of cotton, 210 yuan per 50 kg. Feeling that they can make money by growing grain and cotton, farmers spontaneously increased investment in agriculture, vying with one another to buy chemical fertilizers and farm chemicals. Since the beginning of last year, supply has failed to meet demand despite the fact that domestic chemical fertilizer manufacturing plants have been working overtime, and farmers in some areas had to purchase chemical fertilizer in other counties or provinces. The sales of small tractors and combine harvesters have been brisk.

Farmland capital construction has been accelerated. About 10 billion yuan were invested in building water conservancy projects throughout the country during autumn and winter last year. Of this figure, 5.2 billion were raised by the masses themselves. An aggregate of 4.96 billion cubic meters of stone and earth work was completed; the irrigated area was increased by 7.3 million mu; irrigation facilities covering 46.5 million mu of farmland were improved; and 28,000 km of levees were repaired or strengthened. This has effectively increased the farmland's capacity to resist drought and drain off excessive water.

Arable land is being protected. Some provinces, autonomous regions, and municipalities directly under the central government have drawn up and promulgated the "Regulations for the Protection of Capital Farmland," and introduced capital farmland protection zones and instituted the system of issuing permits for its use. The phenomenon of shrinking agricultural in some economically developed areas began to disappear. Guangdong Province has formulated 12 tough measures for restoring agricultural production. It has also signed an agreement regarding responsibility for attaining Guangdong's

arable land protection target. At present, the area of the province's farmland protection zones has accounted for over 90 percent of the total area of farmland. The situation of declining grain output has begun to be reversed in some provinces and cities in the eastern and southern parts of China. In the rice producing areas in the south, it is expected that the area devoted to rice farming will increase by more than 2 million mu this year. If early rice and late-ripening rice are counted, it is expected that rice farming area will increase by about 5 million mu this year.

The Warming Alarm Must Be Sounded on a Long-Term Basis: The Problems Hampering Agricultural Development Still Exist; the Measures That Have Been Promulgated Have Yet To Be Implemented; How To Guarantee the Status of Agriculture as the Base Still Needs To Be Explored in Practice.

China's agricultural problem is a major issue that spans this and the next century.

China's agricultural base has always been weak. Due to all-out efforts to establish a socialist market economy, some localities, driven by economic interests, are continuing to weaken the agricultural base.

In some areas the momentum of recklessly using arable land for other purposes has not been checked yet. In 1993, the nation's arable land was reduced by 4.9 million mu, and in 1994 the figure came to 6 million mu, the rate of decrease rising sharply.

Using agricultural investment for other purposes, increasing farmers' burdens, undermining agricultural technology popularization networks, disbanding organs for agricultural management, and cutting expenses for agricultural undertakings occur frequently in some areas.

The capacity of agriculture to resist natural disasters has been weakened. About one-third of the country's water reserves are operating under capacity, and 60 percent of the irrigation and drainage facilities need to be repaired.

Analyzing the agricultural development situation in China, authoritative departments have pointed that for a long time from now on, grain production in China will be confronted with three irreversible restrictive factors, that is: the population will continue to increase while the arable land keeps decreasing; the people's consumption level will continue to rise. The challenges we are faced with are: We must feed 1.2 billion people while the average per-capita amount of farmland keeps decreasing and the comparable economic returns of agriculture are fairly low. It is difficult to bring about a marked change in this condition in a short period of time.

Moreover, in the course of agricultural development many problems need to be constantly explored in practice. For example: How to guide collective enterprises and farmers in rural areas to increase investment funds and labor in agriculture; how to improve the circulation

of farm produce and the means of production for agriculture; how to strengthen market management and regulation for the benefit of farmers; how to improve land administration so as to truly protect arable land according to the law.

General Secretary Jiang Zemin has pointed out: "For a long period of time, we could say that our grain output was more than enough and that agriculture had passed the test. We cannot say so in the 1990's, nor can we say it in the first 50 years of the next century."

In solving China's agricultural problem, the burden is heavy and road is long.

Commentator: Boost Agriculture With Science

*HK0503061195 Beijing RENMIN RIBAO in Chinese
17 Feb 95 p 1*

[Commentator's article: "Ultimately Relying on Science and Technology To Solve Problems—Fifth Comment on Overall Increase in Agricultural Comprehensive Productive Capacity"]

[FBIS Translated Text] There is another subject of great urgency with regard to the overall increase of comprehensive agricultural productive capacity: Losing no time in studying and disseminating agricultural science and technology.

Comrade Deng Xiaoping pointed out: Problems in agriculture should ultimately be resolved on the strength of scientific and technological advances. This thesis has shown clearly the direction of China's long-term agricultural development and the sphere where efforts should be concentrated in agricultural development. It is a summary of the general law as well as a scientific conclusion drawn from China's specific national conditions. Practice at home and abroad has proven that the closer agriculture is getting to modernization, the more it is inseparable from scientific progress and the extensive application of science. It was precisely the overall innovation and extensive application of various large-scale and comprehensive techniques in the areas of farming, irrigation, cultivation, prevention and cure of diseases, breeding of fine varieties, storage and processing of agricultural products, and so on that had enabled agriculture in developed countries to make historic strides and enter the realm of modernization. Today, also mainly on the strength of science and technology, several million Israelis are able to make a living on land which is largely a desert, and Israel is an exporter of agricultural products. Since liberation in China, every breakthrough in agricultural production has, without exception, been related to breakthroughs in science and technology. The revolution in seeds represented by crossbreeding and the revolution in cultivation technique represented by plastic ground covering have substantially increased total agricultural yield. In the future, agricultural development will rely more and more on science and technology. According to an analysis and forecast made by

the U.N. Food and Agriculture Organization, to meet world grain demand over the next 20 years, 80 percent of new production will have to rely on scientific and technological breakthroughs. In China, a still harsher reality faces us: Per capita area of land is only one-third the world's average. It is less than one mu in a considerable number of provinces, municipalities, and autonomous regions, and peasants in quite a few localities have no land to cultivate. Economic development must go ahead, but the population is swelling; the process of industrialization and modernization is gathering speed, but cultivated land is increasingly diminishing. Hence, it will not do to stick to the old practice of extensive cultivation, nor will it do to maintain the status quo. This is why it is imperative to repeatedly make new breakthroughs. All this must depend on science and technology. Since the 1990's, China's grain production has been holding steady with output fluctuating around 440 billion kg. It is necessary to raise output to 500 billion kg by the end of this century, and it is all the more necessary to depend on science and technology for the increase. In this regard, we must firmly and unequivocally foster the thinking of "ultimately solving the problem on the strength of scientific and technological advances."

Why should agricultural problems ultimately be solved on the strength of science and technology? What position does science and technology hold and what role does it play in current agricultural development? Many people perhaps have not given this much profound thought. In some localities, the momentum of "invigorating agriculture on the strength of scientific and technological advances" has abated, and few people have shown concern about the work and life of the agricultural scientific and technological personnel. Meanwhile, the agricultural scientific research institutions have been caught in a financial predicament, and the ranks in charge of agricultural technological dissemination are very inadequate. The thinking of developing agriculture on the strength of science and technology has not been established in many people's minds, and the fundamental significance of science and technology to agricultural development has not been fully understood. This is a major ideological obstacle in China's current agricultural development. We have to attach great importance to it and even shout loudly to attract people's attention.

Science and technology can "touch the metal and turn it into gold" and also turn disadvantage into advantage. However, it is by no means a magic wand from a fairy tale that can yield fruit out of nothing. Instead, it calls for serious attention and actual input. Since the founding of the PRC, the state has injected large amounts of funds into science and technology so that an agricultural scientific research and dissemination system at multiple levels and with full coverage has been basically instituted. Along with the decline in agricultural inputs in recent years, however, the situation that "there is money for maintaining troops but no money for fighting a battle" has emerged very often, while the scientific and

technological dissemination network is facing a state of "broken lines, crushed configurations, and disbanded personnel."

The increase of agricultural scientific and technological inputs is included in the increase of agricultural input. More often than not, the increase of scientific and technological input can enable the making of big profits with a small capital under certain conditions. Governments at all levels should pay serious attention to this. It is necessary to establish an agricultural scientific and technological input system for raising funds at multiple levels, in multiple forms, and through multiple channels, and conscientiously help agricultural scientific and technological departments surmount their difficulties and settle their problems. Over the past few years, agricultural scientific and technological development in China has slowed down, which is conspicuously manifested in the small number of major breakthrough achievements, limited scientific and technological reserves, and unsound scientific and technological dissemination system. At present, we must give priority to properly disseminating the applicable techniques that can produce significant results in increasing output and income. Compared with the developed countries, China's rate of agricultural scientific and technological dissemination is 40 to 50 percentage points lower than that of the developed countries. China uses more chemical fertilizer than the developed countries on the average, but the utilization rate is 40 percent only, because more than a half of the fertilizer has been wasted. If we can improve peasants' techniques in applying fertilizer to enhance the utilization rate, this alone will considerably mitigate the tension in chemical fertilizer. We should amplify the ranks of agricultural scientists and technicians to reinforce the dissemination work, intensify the tackling of key scientific and technological problems, lead and organize various scientific research departments to conform to the needs of the rural areas, and speed up the study of some key links in agricultural development with a view to creating quick, numerous, and momentous achievements. At the same time, we should positively import and absorb advanced agricultural technology from foreign countries.

Exercising the role of science and technology as a primary productive force should, in the final analysis, rely on the organization and implementation of government departments at all levels. Whether or not agricultural science and technology is seriously heeded is a yardstick to judge whether our leading cadres are wise and qualified. Let us hoist aloft the banner of rejuvenating agriculture on the strength of scientific and technological advances and make still more brilliant contributions to agricultural development in China.

Beijing Strives for Grain Self-Sufficiency for 2000

OW0403140695 Beijing XINHUA in English 1329
GMT 4 Mar 95

[FBIS Transcribed Text] Beijing, March 4 (XINHUA)—China has mapped out a detailed plan to increase its

annual grain output by 50 million tons by the year 2000, an effort aimed to maintain grain self-sufficiency.

According to the plan, each of the provinces has been given a specific quota for grain increases.

Top Chinese leaders called on the nation to pay more attention to agriculture and spare no efforts to produce enough food for its 1.2 billion people and raise farmers' income.

Overseas researchers or observers have time and again voiced their concerns recently over China's grain prospect, predicting China's inability to meet the growing demand for grain because of the limit of the basic natural resources available.

Agriculture Minister Liu Jiang and other Chinese agriculture experts said China has the capacity to produce enough food for its growing population, which is estimated at 1.3 billion by 2000.

The minister argued that potential of the country's agricultural resources is relatively huge and China will inject much more into agriculture to improve infrastructure facilities, improve middle- and low-yielding farms and raise per-unit yield.

According to the plan, China will also develop some wasteland suitable for farming and make much better and more use of technology.

The plan said 24 million ha [hectare] out of existing 60 million ha of middle- and low-yielding farmlands should be remoulded in the next six years so that the per-hectare yield will grow by 1.5 tons.

If 75 percent of the improved farmlands are used to produce grain, about 40 million tons would be produced, it said.

An additional 10 million tons of grain produced by other middle- and low-yielding farmers by extensively utilizing the technology already in use. [sentence as received]

Efforts will also be made to introduce intercropping, interplanting, develop winter farming in warm southern areas, and raise multiple crop index. The measure would be equivalent to 3.2 million ha of farm land and at least 6.2 million tons if half of those planted are grain crops, said the plan.

About 2.4 million ha of wasteland will be opened in Northeast Plains, Xinjiang Uygur Autonomous Region and Hexi Corridor in Gansu province, Northwest China and other areas.

The increased farmland will produce at least 8.5 million tons of grain, the plan added.

An estimated 3.6 million ha of farmland will be lost to industrial development and other nonagricultural use as planned by the central government for the next six years.

The loss of the farmland would mean a drop of 14 million tons of grain.

Experts say the grain output for 2000 would increase by 50 million tons if all those favorable and unfavorable factors were taken into account.

"There are some difficulty in increasing grain output by 50 million tons by 2000, but not impossible if proper efforts are made," Liu Jiang said.

Efforts should be made to protect farmland and ensure the annual farmland acreage under grain crops stands above at least 110 million ha, or the official warning level, the minister said.

He also called for stable investment increase in agriculture, more efforts to spread the use of agrotechniques and sufficient supplies of farming production materials, such as chemical fertilizers.

Having promised an increase of 25 percent in agriculture this year, the Chinese government is also considering an import of a large amount of advanced agrotechniques.

The State Planning Commission, the Ministry of Chemistry and the Ministry of Water Conservancy also formulated their plans for next six years to build 378 important grain-producing counties into State grain-growing centers, to produce 140 million tons of chemical fertilizers to meet demand, and expand irrigated farmland by 4 million ha.

Jiangsu Pledges To Increase Investment in Agriculture

OW0603065695 Beijing XINHUA in English 0642
GMT 6 Mar 95

[FBIS Transcribed Text] Nanjing, March 6 (XINHUA)—East China's Jiangsu province has pledged to increase its input into agriculture and turn 67,000 hectares of lower-lying areas into fertile farmland this year.

While continuing to arouse farmers' enthusiasm for producing more grain, cotton, and oil-bearing crops, the province is advocating a more diversified economy by encouraging farmers to raise more domestic animals and silkworms, and plant more fruit trees.

According to Jiang Yongrong, deputy governor in charge of agriculture, the province had a good grain harvest last year despite natural disasters, with the rice output topping 7,500 kilograms per hectare for the first time.

Production of cotton, oil-bearing crops, meat, aquatic products, fruits, silkworm cocoons, poultry, and eggs also registered large increases last year.

Jiang attributed the good results to steadily increasing input into agriculture and the introduction of agro-science techniques. A survey has shown, for example, that the province spent 1.53 billion yuan on farming last year, up 13.7 percent from the previous year, and the use

of chemical fertilizers and power in rural areas rose 8.9 and 21.7 percent, respectively, over the previous year.

Foreign Capital Helps Ningxia's Agriculture

OW0303080895 Beijing XINHUA in English 0726
GMT 3 Mar 95

[FBIS Transcribed Text] Yinchuan, March 3 (XINHUA)—Agriculture and the technical renovation of large enterprises have attracted the lion's share of foreign capital that flows into northwest China's Ningxia Hui Autonomous Region.

According to a local official in charge of foreign economy and trade, Ningxia has received 106 million U.S. dollars in foreign investment since the early 1990s in the form of government or business loans or direct foreign investment. More than 60 million U.S. dollars in foreign funds was channeled into the province in 1994 alone, equal to the aggregate in the previous decade.

To date, 70 percent of foreign loans and investment has been used in agricultural projects. The lending governments are those of the Netherlands, Finland, Denmark, Spain, Belgium, Canada, Japan and Austria.

Last year the region borrowed 37 million U.S. dollars from the World Bank to divert water from the Yellow River to irrigate land in the Hetao Plain, the main grain producer in Ningxia. The water-control project has enlarged and improved about 36,000 ha of farmland and benefited 54,000 farmers resettled from arid areas.

Other agricultural projects range from fish raising to soil improvement and forest protection. They have not only bettered the ecological environment and improved production conditions, but also increased local farmers' incomes.

Technical renovation is another area into which foreign capital has flowed. A Finnish government loan has been obtained to upgrade the technical level of a dairy factory, which is now able to produce 100 tons of fresh milk a day and 4,000 tons of milk powder a year.

Similarly, using a government loan from Austria, a factory set up a new project to produce 3,000 tons of anhydrous lemon acid a year, which sells well on the international market.

Direct foreign investment is on the increase. By the end of last year, the region had approved the establishment of 251 foreign-funded enterprises, involving 189 million U.S. dollars, of which 80 percent has been used to raise the technical level of large and medium-sized enterprises. The overseas investors came from the United States, Canada, Australia, Russia, Singapore and Hong Kong.

*Shaanxi Reports Spring Grain Area

95CE0272P Xian SHAANXI RIBAO in Chinese 8 Feb
95 p 1

[FBIS Summary] The spring grain area in Shaanxi Province will exceed 20 million mu.

East Region

Anhui Secretary Views Anticorruption Drive

OW0403141295 Hefei Anhui People's Radio Network in Mandarin 1100 GMT 28 Feb 95

[By ANHUI RIBAO reporter (Ding Chuanguang) and Anhui station reporter (Zhang Lei); from the "Provincial Hookup" program]

[FBIS Translated Text] When Anhui Provincial Party Committee [APPC] Secretary Lu Rongjing delivered an important speech at the Second Plenary Session of the Anhui Provincial Discipline Inspection Commission [APDIC] in the afternoon of 27 February, he stressed: At present, we must concentrate on thoroughly carrying out the major tasks of the anticorruption drive and on consolidating achievements over a protracted period of time in a bid to achieve new successes and contribute to the overall situation of Anhui's reform, development, and stability.

Chen Guanglin, member of the APPC Standing Committee and secretary of the APDIC, presided over the plenary session. Among the Anhui party, government, and military leaders also present were Hui Liangyu, Meng Fulin, Wang Taihua, Shen Shanwen, Du Cheng, Ji Jiahong, Yang Duoliang, and Long Nian. Before the session opened, Lu Rongjing and Wang Taihua separately held discussion meetings with comrades attending the session.

In his speech, Lu Rongjing pointed out it is necessary to correctly analyze and treat the situation and deepen understanding of the anticorruption drive's importance and urgency. He said: In recent years, Anhui party committees at all levels conscientiously implemented the party Central Committee plan on launching the anticorruption drive in depth and focused attention on promoting leading cadres' honesty and self-discipline, investigating law-breaking and discipline-violating cases, and rectifying unhealthy practices found in trades and professions. Anhui's anticorruption drive maintained a momentum of healthy development through joint efforts by the leadership and the rank and file. It played a positive role in maintaining political stability, promoting reform and opening up, and accelerating economic development. However, by no means can we overestimate or even be blindly optimistic about the successes achieved so far. It is necessary for us to correctly analyze and treat the current situation of the anticorruption drive, deepen our understanding of the position occupied by the anticorruption drive and the role it plays in the work facing the party, and guide the anticorruption drive to be launched in depth.

Lu Rongjing said: Under the new situation of reform, opening up, and developing a socialist market economy, the task to vigorously strengthen the party's ideological and political building and continuously improve the ideological quality as well as political integrity of the vast

numbers of party members and cadres has become an extremely urgent mission. A matter of the most fundamental importance now is to properly solve the problem of party-member leading cadres' acquiring a correct world outlook and outlook on life; guide and organize the vast numbers of party members and cadres to intensify study of Marxism-Leninism-Mao Zedong Thought and, in particular, Comrade Deng Xiaoping's theory on building socialism with Chinese characteristics; and, meanwhile, attach importance to educating them in the theory of and faith in communism, the purpose of serving the people wholeheartedly, the spirit of plain living and hard struggle, and industriousness and thrift so that they can be impartial, fair, upright, honest, aboveboard, discerning, and industrious of their own free will in performing official duties.

Lu Rongjing stressed: It is necessary to pay close attention to consolidating achievements, implementing measures, and doing our work over a protracted period of time to guide the anticorruption drive to be launched in depth. The anticorruption drive is an important matter that has a bearing on the future and destiny of the party and state and a long-term task in the process of building socialism with Chinese characteristics. As such, we must persevere in launching the drive. Now, the crux of the matter is to pay close attention to launching the drive in depth and carrying out the task to the letter in a bid to achieve new successes. It is necessary for party, government, discipline inspection, and supervision organs at all levels to integrate the new substance of the anticorruption drive and new requirements raised by the central authorities with the actual conditions of their respective areas, departments, and units; make well-conceived arrangements for this year's anticorruption drive in accordance with the plans of the central authorities and the APPC; eliminate interference, overcome resistance, and see to it that the anticorruption drive is launched thoroughly; and be sure to further produce practical results and resolutely prevent vague generalization or perfunctoriness. This year, cadres at the section level of organs directly under county and city governments; leading cadres of villages and towns; people in charge of stations at the grass-roots level; and leading cadres of state-owned enterprises and institutions are also required to be honest and practice self-discipline in performing official duties. It is necessary to make vigorous efforts to reliably and successfully fulfill the task of requiring grass-roots-level leading cadres to be honest and practice self-discipline in performing official duties. The anticorruption drive's successes achieved have not come easily. It is even harder to maintain them. By no means can we lower our guard. We definitely must make vigorous efforts to consolidate the achievements scored by the anticorruption drive and prevent reversion or relapse.

Lu Rongjing required party and government leaders at all levels to take full responsibility for and conscientiously strengthen leadership over the anticorruption drive; make vigorous efforts to carry out the tasks of

fighting corruption and promoting honesty in their respective areas, departments, and units; and achieve new and greater successes. Lu Rongji pointed out: It is necessary for discipline inspection and supervision organs at all levels to further improve themselves by continuously enhancing the ideological quality, political integrity, and job proficiency of the vast numbers of cadres of discipline inspection organs and make vigorous efforts to promote Anhui's discipline inspection and supervision to a new level.

Over 400 people participated in the session. Among them were members of the provincial leading group for coordinating the anticorruption drive; members of the APDIC; principal comrades in charge of party committees and groups of all provincial committees, commissions, departments, and bureaus; people in charge of discipline inspection and supervision organs at all units directly under the APPC in all prefectures and cities and at all universities and large enterprises and institutions; principal comrades in charge of the provincial higher people's court and people's procuratorate; party style and discipline supervisors of the APDIC; and guest supervisors of the provincial supervision department.

Shanghai Establishes First Commercial Conglomerate

OW0403023495 Beijing XINHUA in English 0136
GMT 4 Mar 95

[FBIS Transcribed Text] Shanghai, March 4 (XINHUA)—China's largest financial and economic hub, Shanghai, will formally inaugurate SMEC, its first comprehensive commercial and industrial conglomerate.

SMEC, with the Shanghai Machinery Equipment Import and Export Corp. as its core, will concentrate on promoting Shanghai's machinery and electronic products to the world.

In an attempt to reshuffle state-owned enterprises along international lines to consolidate them into the mainstay of the national economy, China has organized comprehensive conglomerates, like those that fueled the economic take-off in Japan and the Republic of Korea in the 1960's and the 1970's.

General manager Shen Zhiqin told XINHUA that SMEC was chosen for the experimental reorganization last August because complete plants will become a staple export commodity in Shanghai, and SMEC will benefit from all the preferential policies the city has unveiled in reforming state-owned firms.

Operating under the condition that the state-owned property be enlarged, SMEC can expand dramatically by buying shares of other companies and purchasing other factories for its production bases.

"Although it earned 125 million U.S. dollars in foreign currency last year, SMEC has done little in domestic

trade," Shen explained. Most of China's foreign trade enterprises seldom venture into the field of domestic business.

Shen said that SMEC will pay attention to domestic trade as well as foreign trade, and it has great potential for getting a larger part of the international market as it has established stable relations with over 2,000 clients in 130 countries and regions since it was set up 10 years ago.

Three affiliated companies have been set up locally, in the Waigaoqiao Bonded Zone, the Pudong New Area, and in Changning District to spur the growth of the local export-oriented economy.

Affiliated companies will also be established in the major cities in coastal regions, including Haikou in south China's Hainan Province, Shenzhen in south China's Guangdong Province, and Kunming in southwest China's Yunnan Province.

SMEC will transform its 10 overseas companies into three groups in Asia, Europe, and Americas, and will expand its business by setting up subsidiaries to deal with shipping, exhibitions, storage, real estate, and project contracts.

Shanghai Spearheads Scientific Research

OW0403152595 Beijing XINHUA in English 1356
GMT 4 Mar 95

[FBIS Transcribed Text] Shanghai, March 4 (XINHUA)—China's largest economic and financial hub has had some impressive achievements in scientific research since 1990.

Of the more than 890 research projects in industry, agriculture, environmental protection, communications, and municipal works, 70 percent have been completed and 20 percent have passed inspection.

In industry, some 100 achievements have come about in 10 high-tech fields, including combinations of machinery and electronics, new materials, laser technology, and power-saving technology.

Shanghai has found ways of producing large-scale integrated circuitry with high quality for program-controlled switch boards, sales of which amount to 50 million US dollars.

A particular type of robot has been produced that works on large and heavy structures on high buildings, and domestic and overseas clients have signed orders worth 1.5 billion yuan for the invention.

In the area of municipal works and post and telecommunications, Shanghai has made headway in some 40 projects constructing expressways, elevated highways, subways, and treating sewage.

New technology not only saved 200 million yuan, but resulted in a better-looking elevated highway in the city,

while a multi-functional high-speed machine was developed to make mail-sorting easier, saving 10 million US dollars in expenses each year by avoiding importing such machines from abroad.

Shanghai now leads the country in manufacturing digital program-controlled switch boards for rural telecommunications, and is expected to increase production to 350 million yuan in 1997.

In agriculture, a series of high-quality high-yield species, including vegetables, grains, livestock, and aquatic products have been cultivated, and computers have helped the Shanghai Agriculture Academy to improve the annual output of rice, wheat, and corn to 1.235 tons per mu (about 0.0667 ha) on about 6.67 ha. Experimental farmland.

The new vegetables have a good taste, grow quickly, and can withstand various viruses. A cabbage named "Xiaoyeqing", which has added to farmers' income by over 20 percent, will be widely planted in the delta of the Chang Jiang River.

In addition, a contract system has been introduced to raise the researchers' awareness of responsibility, rewarding those who forge ahead in the research and not rewarding those who lag behind.

Media To Make Shanghai Known to 'Outside World'

OW0403145895 Beijing XINHUA in English 1403
GMT 4 Mar 95

[FBIS Transcribed Text] Shanghai, March 4 (XINHUA)—This, China's largest metropolis has vowed to take advantage of its mass media to make itself known to the wider outside world.

The city, which has been attracting more and more attention from overseas media in recent years because of its key status in China's economic reform, will utilize radio, television, magazines and newspapers to cover more aspects of the city, from the construction of the Pudong Economic Development Zone to the local peoples' daily lives.

The municipal government plans to establish an English-language television station, a film company and a foreign-languages publishing company, and to publish more books, pictorials, video and audio products for overseas people, said Jia Shumei, director of the Information Office under the municipal government.

At present, Shanghai has the "Shanghai Star" English-language newspaper, an English-language radio station and the "Shanghai Monthly" magazine, which is published in various foreign languages.

Jia described these publications as playing "an important role in helping foreign people and organizations to better understand present-day Shanghai".

The "Shanghai Monthly", for example, is well received by the foreign consulates, investors, and overseas media organs in Shanghai. The "Shanghai Star" also finds lots of readers among overseas tourists and businessmen in the city. The Shanghai-based "Xinmin Evening News" is even published in Los Angeles City in the US.

Last year Shanghai received some 3,200 reporters from the US, Germany, and other countries, and 13 overseas news media organs have set up offices in the city.

Third Session of Zhejiang People's Congress Opens

OW0403123295 Hangzhou ZHEJIANG RIBAO in
Chinese 19 Feb 95 p 1

[Unattributed report: "Third Session of the Eighth Provincial People's Congress Solemnly Opens—Li Zemin Presides Over the Opening Ceremony and Wan Xueyuan Delivers the Government Work Report"]

[FBIS Translated Excerpt] Hangzhou, which is now in early spring, was permeated with a jubilant atmosphere in the morning of 18 February. The Third Session of the Eighth Zhejiang Provincial People's Congress [EZPPC], which attracted the attention of all people in Zhejiang, solemnly opened at the Hangzhou Great Hall of the People. [passage omitted]

At 0830, the session opened amid the majestic "PRC National Anthem." A total of 687 EZPPC deputies at the opening ceremony listened to the government work report.

Li Zemin, executive chairman of the session and executive president of the presidium, presided over the opening ceremony. Session executive chairmen Xu Xingguan, Wang Qidong, Yang Bin, Li Debao, Kong Xiangyou, Zheng Shu, and Mao Zhaoxi and all session presidium members were seated on the rostrum.

Wan Xueyuan, Liu Feng, Chai Songyue, Lu Zhangong, Wang Qichao, Liu Xirong, Li Jinming, Liang Pingbo, Si Daxiao, Xu Yunhong, Zhang Youyu, Zhang Qimei, Xu Zhichun, Sun Jiaxian, Wu Renyuan, and Yang Shijie, leaders of the provincial party committee, discipline inspection commission, government, committee of the Chinese People's Political Consultative Conference [CPPCC], and military district; Xia Zhonglie, president of the provincial higher people's court; Ge Shengping, chief procurator of the provincial people's procuratorate; and Chen Anyu were also seated on the rostrum.

Also seated on the rostrum were Shen Zulun, member of the CPPCC National Committee Standing Committee; and veteran comrades Tie Ying, Mao Qihua, Shang Jingcai, Zhang Jingtang, Cui Jian, Liu Yifu, Zhai Xiwu, Wang Yaotong, Zhang Shixiang, Zhang Xueyi, Yu Jiyi, Xing Zitao, Wu Minda, Li Yuhua, Zhu Zuxiang, Wang Yumin, Kang Mingcai, Li Qing, Yuan Fanglie, and Hu Canshi. They were invited to attend the opening ceremony. [passage omitted]

Eighth National People's Congress deputies residing in Zhejiang, comrades in charge of EZPPC and provincial government departments, and comrades in charge of people's congress standing committees of some cities and counties (districts) and their governments attended the session as observers.

Members attending the Third Session of the Seventh Zhejiang CPPCC Committee were present as observers.

A total of 87 people of various circles were invited to the session as visitors.

Li Attends Zhejiang Discipline Inspection Plenum

OW0403111195 Hangzhou Zhejiang People's Radio Network in Mandarin 1000 GMT 28 Feb 95

[From the "Provincial News Hookup" program]

[FBIS Translated Text] The Zhejiang Provincial CPC Discipline Inspection Commission today held its fourth expanded plenary session to relay and study the guidelines of the fifth session of the Central Discipline Inspection Commission, to sum up Zhejiang's anticorruption work in 1994, and to study and set out a plan for this year's anticorruption task. Li Zemin, secretary of the Zhejiang Provincial CPC Committee, attended and made an important speech at the meeting. Those attending the meeting included Comrades Wang Qichao, member of the provincial CPC committee standing committee and secretary of the provincial discipline inspection commission; Wang Xueyuan, Liu Feng, Liang Pingbo, Si Daxiao, and Ge Shengping.

After fully affirming the phased results that Zhejiang achieved in fighting corruption last year, Comrade Li Zemin pointed out: Unwaveringly carrying out the anti-corruption struggle is one of our long-term tasks. Party committees, governments, and discipline inspection and supervision organs at all levels must apply themselves to promoting anticorruption education and to carrying out anticorruption work in depth, and they must endeavor to accomplish the phased anticorruption task set by the central authorities and the provincial CPC committee.

Li Zemin stressed: Party committees at all levels should continue to attach great importance to promoting anti-corruption education among cadres with party membership, should step up the party's ideological and political building, regard work in this regard as the groundwork for strengthening party building in the new period—a new and great project—and regard the work as a fundamental measure for maintaining our party as the vanguard of the working class and for resolutely repelling the corrupt influence.

Li Zemin pointed out: Currently, we must concentrate on promoting among leading cadres with party membership, including those of enterprises, education in enhancing their communist ideals and conviction, in wholeheartedly serving the people, in working diligently, and in practicing economy. We should help them

straighten out their world outlook and outlook on life, which is a fundamental issue, so that they can truly become an ideologically strong great wall for repelling the corrupt influence. We should combine various concerned departments' educational efforts. Based on the results of investigations and studies, departments related to promoting anticorruption education for cadres and party members should jointly formulate an overall and well-regarded plan that coordinates the efforts of all parties concerned for conducting anticorruption education. Each of them should do their share and cooperate with each other to form combined strength for promoting the education. In addition, we should effectively make use of educational carriers. While preserving the good traditions and methods, we should boldly seek new carriers who can carry out anticorruption education among cadres with party membership in the new situation, in order to improve the efficiency and quality of the education.

Li Zemin said: Following the new guidelines set by the central authorities and the provincial CPC committee, and in taking local realities into consideration, party committees, governments, and discipline inspection and supervision organs at all levels should truly ensure the accomplishment of all anticorruption tasks set for this year. They should continue to ensure that leading cadres are honest in performing their official duties and that they strictly practice self-discipline. Cadres at and above the county and departmental levels should continue to carry out the two five-point guidelines set by the central authorities and should conduct self-inspection and self-correction in following the four-point supplementary guidelines. At the same time, they should set specific demands for themselves in implementing the party's line, principle, and policy; in performing their official duties; in enforcing the law; in upholding fairness and uprightness; and in practicing democratic centralism. Cadres at and above the section level of county-level organs, leading cadres of townships and towns, and officials in charge of grass-roots stations and offices should conduct self-inspection and self-correction in following the province's 10-point guidelines on performing official duties and practicing self-discipline. Leading cadres of state-owned enterprises should faithfully practice the four-point guidelines laid down by the fifth plenary session of the Central Discipline Inspection Commission on performing official duties and practicing self-discipline. We should concentrate on the main points in investigating cases and should deal severely with major and important cases. We should make in-depth efforts to correct unhealthy practices prevailing in various departments and trades, we should strictly enforce political discipline, and we should uphold the party's principle of democratic centralism.

Li Zemin pointed out: The key to making the anticorruption struggle succeed is to conduct the struggle in depth. While making efforts to step up ideological and political building, we should make greater efforts to

build relevant systems and take comprehensive measures to solve both underlying problems and problems of secondary importance. We should closely integrate the anticorruption struggle with our efforts to deepen reform, and we should eliminate the shortcomings and deficiencies of the current structures and systems by deepening reform. We should further improve the supervision and control systems to gradually make the anti-corruption struggle law-based.

Central-South Region

Guangdong's Zhu Meets With Press Chairmen

HK0603093995 Hong Kong TA KUNG PAO in Chinese
16 Feb 95 p A1

[“Special dispatch” from Guangzhou: “Zhu Senlin Meets TA KUNG PAO Chairman Wang Guohua”]

[FBIS Translated Excerpt] Guangzhou, 15 Feb (TA KUNG PAO)—In the provincial government hall this afternoon, Guangdong Governor Zhu Senlin met Wang Guohua, chairman of the board of directors and chief-of-staff of TA KUNG PAO; Li Zuoxing, editor-in-chief of HSIN WAN PAO; and Lin Ning, deputy general manager of TA KUNG PAO who interviewed him on the issues of social and economic development in Guangdong.

At the beginning of the meeting, Wang Guohua shook hands with Zhu Senlin and said: “We met shortly before the Spring Festival in Guangzhou last year and we meet again today.” Zhu Senlin happily replied: “Thank you to TA KUNG PAO and HSIN WAN PAO for your extensive and objective reports on Guangdong’s reform, opening up, and economic construction.”

When answering the questions raised by Wang Guohua and his entourage, Zhu Senlin said that last year, Guangdong’s national economy maintained a good tendency of sustained, rapid, and healthy development and the province’s total import and export volume reached \$96.7 billion, ranking it first in the whole country and accounting for 40 percent of the country’s total import and export volume. In the area of exports, 70 percent of Guangdong’s exports went through Hong Kong to the international market. Talking about this situation, Zhu Senlin said that U.S. trade retaliation against China would have a certain impact on Guangdong, in particular the impact on the foreign-funded enterprises in Guangdong will be greater but it will not necessarily cause great difficulties for Guangdong because the international market is very big. At present, Guangdong’s main foreign partner in joint-venture auto industry is Germany and major international enterprise groups are all interested in the Chinese market and have come to Guangdong to negotiate large cooperation projects involving electric appliances, communications, and the auto industry; U.S. Chrysler’s president last year accompanied U.S. Secretary of Commerce Ronald Brown

during his visit to China and he came down to Guangdong to seek cooperation with the Samsung Auto Group in Zhanjiang, whereas Guangdong also hoped the cooperation project could become a reality. But now, because the United States wants to impose trade retaliation against China, Guangdong is deliberating the idea of finding another cooperation partner. Zhu Senlin hoped that the new round of Sino-U.S. talks on the issue of intellectual property rights which opens in Beijing today, can reach an agreement, to avoid a Sino-U.S. trade war caused by the breakdown of talks. [passage omitted]

Guangdong Plans Construction, Anticrime Efforts

HK0603055895 Hong Kong WINDOW in English 3
Mar 95 pp 22, 23

[By Hu Xingxing]

[FBIS Transcribed Text] The southern province of Guangdong has mapped out an ambitious building programme at a time of shrinking credit supply, although it has lowered its overall growth targets as required by the central government.

In its 1995 infrastructure plan released on February 16, one day before the province’s legislature began its annual session, the provincial government disclosed that seven large projects are to be launched later this year, requiring an injection of 22 billion yuan (US\$2.5 billion) in capital over the period. This funding is in addition to that required for the 23 major programmes already underway. The cost of all 30 projects will be 101.2 billion yuan.

New work programmes include the 180km Guangzhou-Zhuhai high-speed railway, designed to standards similar to those of the Guangzhou-Shenzhen line built late last year; a digital switchboard in Shunde; the four expressways connecting Kaiping-Yangjiang-Zhanjiang, and Huidong-Guangzhou-Shaoguan; and the Guangzhou water pump and power station.

Guangdong has been unrelenting in its quest for electric power. Governor Zhu Shenlin announced at the Provincial People’s Congress that Guangdong had become the largest power producer in China, generating a total of 73.5 billion MW of electricity last year.

But many of the building projects are beset with tremendous funding difficulties. The cost of Guangzhou’s 18-km subway construction, according to Mayor Li Ziliu, already exceeds a projected sum of 12.7 billion yuan by 2.3 billion yuan.

The Guangdong Development Bank [GDB], the chief funding arm of the Guangdong economy, plans to set up several overseas funds this year to support the ongoing infrastructural projects. Last year, the GDB successfully raised US\$80 million in loans from consortia for the building of the Guangzhou-Meizhou-Shantou Railway.

New targets: At the congress, the governor reported that Guangdong's GDP was 417.5 billion yuan last year, up 18 per cent from 1993, and it is expected to reach 480 billion yuan this year, a further 15 per cent expansion.

But at the moment, the provincial assembly is probably unconcerned with whether Guangdong leads the race for export-led growth in China. A more pressing problem is its ineffective crime control, which has aroused furious public criticism. Congress delegates were shocked that criminal offences in Guangdong last year surged 41 percent from 1993. In particular, so-called economic crime shot up 68 percent.

Guangzhou's mayor acknowledged that in 1994, robberies in the provincial capital shot up 28 percent. To make Guangzhou a city where business is good and streets are safe, the mayor declared that a 3,000-strong task force will be established for round-the-clock patrols in all its half-torn down, half-modernised streets. The city's crime-control efforts will be concentrated in three areas: the Guangzhou Railway Station, Baiyunshan Hill Scenie Park, and the Pearl River banks.

Modern crimes: Province-wide, traditional crimes, those involving serious violence, rose by 42 per cent. But there have also been more modern crimes. Some 32,000 "huang-du-du" cases (crimes related to sex, gambling, and the narcotic trade) were handled by the Guangdong justice system, involving 1,500 suspects whose numbers included 440 former government employees.

There is an international background to Guangdong's rising crimes, provincial officials noted. In narcotics, there has been a tendency, police spokesmen admitted, for products originating in the Golden Triangle on the Chinese-Thai-Burmese-border to creep through Guangdong and find their way into Hong Kong or Macao.

Both the Chinese and Hong Kong police authorities have exposed more and more cases in which cross-border container truck drivers are hired for illicit trafficking. At a meeting with journalists during the provincial congress session, provincial public security chief Chen Zhaoji declared Guangdong's intention to target the narcotic trade.

Issues: The Guangdong police will strengthen their cooperation with Hong Kong counterparts in anti-narcotic and other crime control activities, Chen said. However, cross-border criminal connections seem to be growing more rapidly than even joint actions by law enforcement officers can solve. There have been, Chen said, triad "joint ventures" in kidnapping and gambling activities. Chen pointed out that this is partly because Hong Kong law still prevents the investigation and extradition of any resident suspected of criminal activities outside of Hong Kong.

The crackdown on organised illegal immigration was more effective on the Chinese side in 1994, Chen explained, adding that many illegal immigrants to Hong

Kong had been young peasants from outside Guangdong, frustrated in their search for jobs.

Guangdong, especially the Pearl River Delta's booming towns, has created 12 million jobs for migrant job hunters from all over China in the past, but now there are few vacancies for unskilled labour. Migrant labour has been a main source of crime in the southern province. Last year, of the 180 convicts who were executed in Guangzhou, more than 100 were migrant labourers.

Airports, Routes Aid Guangxi Aviation Growth

OW0603121795 Beijing XINHUA in English 1159
GMT 6 Mar 95

[FBIS Transcribed Text] Nanning, March 6 (XINHUA)—The civil aviation sector of the Guangxi Zhuang Autonomous Region, south China, has had an annual growth of 12 percent in passenger volume since 1984, thanks to accelerated airport building and the opening up of new routes.

Last year, there were 2.25 million passengers, and in the first two months of this year alone, there was an increase of 32 percent over the same period of last year.

Before 1984, the autonomous region, which borders Viet Nam, had only two airports in operation, one in the capital city of Nanning, the other in Guilin, a tourist city with an international reputation, but there are now two new airports open for use, one in the port city of Beihai, and the other in Liuzhou.

The number of air routes have also sharply increased from 10 in 1984 to the present 63, with direct lines to over 30 large cities, including Beijing, Shanghai, Guangzhou, Xian, Lanzhou, Chengdu, Kunming, and Hongkong.

There are 277 flights available in the region each week in summer and autumn, and 265 in winter and spring, and a large amount of funds have been put into improving airport facilities. During the eighth "Five-Year-Plan" (1991-1995), a total of 1.4 billion yuan (169.4 million U.S. dollars) is planned to invest in capital construction. Moreover, three million yuan will be used in technical upgrading, and another three million yuan in the construction of booking offices and hotels.

Northeast Region

Heilongjiang's City Sentences Three To Death

SK0403072395 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 3 Feb 95

[FBIS Translated Text] Sun Haibo, Yan Wenyu, and Tian Yu, the three criminals involved in the appalling 28 January case of violence, theft, and murder that caused a sensation throughout the country, were sentenced to death by the Hegang City Intermediate People's Court in the initial trial on 3 March.

With a pistol, a hunting rifle, and a caliber rifle in hand, the accused Sun Haibo, Yan Wenyu, Tian Yu, and the former Tian Yuan, followed a premeditated plan at around 1700 on 28 January 1995 by first killing a taxi driver, then driving his taxi to the security building of Hegang city's Nanshan mine to commit the crime of robbing a huge sum of money earmarked for wage payments, thus causing an appalling case of violence, theft, and murder. These four criminals shot dead nine public security cadres and military policemen, and one innocent child, wounded one military policeman, and robbed policemen on duty of their three type-54 pistols. Wounded by public security cadres, Criminal Tian Yuan was shot dead by the other criminals. After the three criminals buried the dead body to destroy evidence, they ran from the scene.

In accordance with the law, the Hegang City Intermediate People's Court sentenced these three criminals to death with their political rights deprived for life.

Heilongjiang Reveals Plans for Telecommunications

SK0403063595 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 3 Mar 95

[FBIS Translated Text] It was revealed at the provincial telecommunications work conference that ended on 3 March, that the province's postal and telecommunications departments will endeavor to comprehensively build a basic telecommunications network, a new business network, and supporting networks this year. A number of key telecommunications projects will begin operating in various localities by the end of this year. This will greatly improve the province's comprehensive communications capacities and the scientific and technological level of telecommunications networks.

The general development objective of the province's telecommunications service for this year are: Install 63,500 long-distance program-controlled telephone exchanges and 700,000 local program-controlled telephone exchanges; provide telephone numbers for 600,000 subscribers; and make the telephone popularization rate reach 5.68 percent throughout the province and 20 percent in Harbin. In terms of the basic telecommunications network, with the exception of Harbin, we should continue to increase the number of digits for telephone numbers in all localities to seven before National Day, which falls on 1 October. This year, the province will also build 3,800 km of optical fiber communications cables to access all prefectures, cities, and counties, and 500 townships and towns, and will build 20,000 additional long-distance circuits.

Heilongjiang Governor Urges Better Work Style

SK0403064295 Harbin Heilongjiang People's Radio Network in Mandarin 2200 GMT 3 Mar 95

[FBIS Translated Text] At the sixth enlarged plenary session of the provincial government, held on 3 March,

Governor Tian Fengshan stressed the need for improving the style of thinking and work among government organs with a view to creating a relaxed environment for Heilongjiang's economic development.

Tian Fengshan, who was elected provincial governor at the just closed provincial third session of the eighth provincial people's congress, earnestly called on government organs at all levels to further emancipate the mind, enhance spirit, and meet new challenges with a completely new attitude. He said: To improve the style of thinking and work among government organs, we should give priority to further seeking unity of thinking among members of the provincial government, and then among the government organs at all levels in the province. We should resolve all kinds of misconceptions emerging in the process of carrying out the overall idea for the provincial economic development and should be more confident and brave in surmounting difficulties. Beginning with members of the provincial government, we should truly seek unity of thinking in line with the central authorities' line, principles, and policies, with the central task of economic construction, and with the guidelines of the third session of the seventh provincial party committee, the provincial economic work conference, and the third session of the eighth provincial people's congress. There should be no distracting thoughts in our ideas, and no public fuss. All fields at all levels should attend to work towards the same objective with one heart and one mind. At the same time, attention should be paid to resolving the problems regarding the mental state of leaders of all levels and all working personnel of the organs under the provincial government.

Tian Fengshan stressed: We should strengthen ideological education among government functionaries, leading cadres at all levels in particular, in an effort to enhance their morale, deepen their understanding of the historical duties, and intensify their sense of crisis, mission, responsibility, and urgency. Tian Fengshan added: Currently, the province's environment of economic development has not been fully relaxed and many problems crying for an urgent solution remain unresolved for the government and their subordinate departments in serving economic development. All localities, all departments, and all government functionaries should further emancipate their mind to give rise to a fine environment of policies, legal system, and public opinion. The provincial party committee has already decided to launch a province-wide discussion on improving economic development environment in order to resolve the problems regarding economic development environment.

In addition, Tian Fengshan expressed opinions on how to improve the style of work, firmly grasp implementation of work, maintain administrative honesty and self-discipline, and actually correct malpractices.

Also attending the session were vice governors Ma Guoliang, Sun Kuiwen, Yang Zhihai, Wang Zongzhang, and Ma Shujie.

Heilongjiang Defines 1995 Economic Restructuring

SK0503034095 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 4 Mar 95

[FBIS Translated Text] The provincial economic restructuring work conference, that ended on 4 March, defined this year's major economic restructuring tasks as comprehensively accelerating enterprise reform, promoting the reform of social security system, developing and perfecting market systems, and comprehensively pushing forward the experiments for overall and supporting reforms in cities and counties.

The conference decided: This year, in carrying out economic restructuring, the province should pay attention to major aspects and step up efforts to promote economic development and accelerate cultivation of new systems. In terms of enterprise reform, the province should achieve substantial progress in making innovations of systems concerning state-owned enterprises and should try to shift from invigorating individual enterprises to invigorating the state-owned sector of the economy. As demanded by the provincial government's plan for experimentation, the province should go all out to grasp the work regarding the 38 state- and provincial-level enterprises, that are experimenting with the modern enterprise system, and should pay attention to making good planning for and successfully operating shareholding enterprises. The province should also designate a number of enterprises of different categories to carry out the management on a commission basis. In addition, this year the province will make a new headway in deepening the reform of the old-age insurance system, perfecting and establishing the unemployment insurance system, deepening the reform of the

medical insurance system, introducing the reform of the social security management system, developing production factors markets, and comprehensively promoting the overall and supporting reforms in cities and counties.

At the conference, Ma Guoliang, deputy secretary of the provincial party committee and vice governor of the province, called on all departments in the province to make a concerted efforts to emancipate the mind, enhance morale, create a good environment for reform, opening up, and economic development, and promote reform work in a creative manner.

Provincial leaders Du Xianzhong and Dai Moan also attended the conference.

Heilongjiang Expands Paging System Capacities

SK0503040095 Harbin Heilongjiang People's Radio Network in Mandarin 1000 GMT 4 Mar 95

[FBIS Translated Text] A project to expand the installed capacity of the province's integrated postal, telecommunications, and paging network will be carried out in the province. It is estimated that by the end of June this year, all pagers in the province's 81 cities and counties will be subject to automatic range. The contract on this project was formally signed by the provincial postal and telecommunications bureau and the U.S. General Electric Company in Harbin on the afternoon of 4 March. The integrated paging network equipment, currently imported by the province, is provided by the General Electric Company. The connection speed of the paging equipment occupies a leading place in the world. The total installed capacity of this paging system is designed for 1.1 million subscribers, of which, 500,000 will be in Harbin. The total investment in this project is 45 million yuan.

Reportage on Possibility of Li's U.S. Visit

Spokesman on Visit

OW0403094995 Taipei CNA in English 0937 GMT
4 Mar 95

[By Benjamin Yeh]

[FBIS Transcribed Text] Taipei, March 4 (CNA)—Foreign Ministry Spokesman Rock Leng said on Saturday that President Li Teng-hui is not likely to visit the United States in the near future.

The Taipei-based CHINA TIMES reported in a dispatch from Washington on Saturday that Cornell University, Li's alma mater, invited the president to visit the university and receive an honorary degree at a ceremony honoring outstanding graduates on Feb. 17.

Li was also invited to speak at the university's Spencer T. & Ann W. Olin lectureship in June, the paper said. The lectureship is funded by the university's alumni foundation for the promotion of academic research on key global issues.

Leng said his ministry has not been informed of any visit to the US by Li, nor did the Foreign Ministry arrange any such visit.

Noting that the Foreign Ministry has in recent years worked on a plan for President Li to visit the United States, Leng said he is "not optimistic" about a visit under the present circumstances. US Secretary of State Warren Christopher made it clear in a congressional public hearing last month that the Clinton administration will permit Li to make a stopover in the United States but will not allow Li to visit the US as a head of state.

The paper said Cornell University fully understands the Clinton administration's position and has notified the State Department of its decision to invite Li.

Foreign Minister's Remarks

OW0603100595 Taipei CNA in English 0931 GMT
6 Mar 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, March 6 (CNA)—President Li Teng-hui may make a transit stop in the United States before the Republic of China (ROC) holds its first-ever direct presidential election in March 1996, Foreign Affairs Minister Chien Fu said Monday.

This was the first time Chien has revealed that the Ministry of Foreign Affairs may arrange for Li to make a transit stop in the U.S. after the Clinton administration said it will accommodate a transit stop for the top Taiwan leader last September.

Chien made the disclosure in reply to an inquiry from Kuomintang legislator Cheng Chien-jen during a Legislative Yuan foreign affairs committee meeting.

Noting that the top goal for Li to visit the U.S. is to meet with senior American officials, Chien said his ministry may arrange for Li to make a transit stop in America before next March. "The exact time for Li's transit visit has yet to be decided," he added.

As for when Li will be able to visit the U.S., Chien said it is not appropriate to discuss the issue at the moment because the U.S. Government still discourages Li from visiting.

Li made a brief transit stop in Hawaii last March on his way to several central American countries, but he didn't step out of his chartered plane.

The Clinton administration made a major Taiwan policy review last September agreeing to improve substantive relations with Taiwan, including accommodating transit stays of its head of state.

Cornell University has several times invited Li to visit, but he has so far failed to return to his alma mater.

Washington switched its diplomatic recognition from Taipei to Beijing in 1979.

Foreign Minister Criticizes Beijing's Policy

OW0603105495 Taipei CNA in English 0859 GMT
6 Mar 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, March 6 (CNA)—Foreign Affairs Minister Chien Fu Monday [6 March] renewed his call on Beijing to drop its rigid and unreasonable hegemonic attitude toward Taiwan and to stop its efforts to suppress Taiwan's presence in the international community.

Speaking at a session of the Legislative Yuan's Foreign Affairs Committee, Chien said although Beijing has recently softened its rhetoric toward Taiwan, its "hegemonic mentality" remains intact as reflected in an eight-point statement on Taiwan affairs delivered by Mainland Chinese President Jiang Zemin in late January.

Chien said Jiang's statement still adhered to Beijing's three cardinal principles in dealing with Taiwan affairs: insisting on "one country, two systems" unification scheme; not allowing Taiwan to develop official ties with other countries or take part in international activities as a political entity; and not promising to give up its threat to use force to crush the Taiwan independence movement.

"Beijing's failure to adjust its rigid framework for dealing with Taiwan has gravely hindered improvement

of cross-Taiwan Strait relations and will even adversely affect future development of the Chinese race," Chien warned.

Noting that cross-strait rapprochement and Taiwan's pragmatic diplomacy can complement each other, Chien said as long as Beijing can respect Taiwan's legitimate right to equally participate in international activities, Taiwan will be more willing to increase contacts and exchanges with the mainland, and the two sides can help each other in international affairs.

Chien regretted that during the past year, Beijing continued using checkbook diplomacy to entice Taiwan's longtime allies—South Africa and Paraguay—to switch diplomatic recognition and tried every possible means to sabotage Taiwan's relations with the two countries.

Moreover, Chien said, Beijing has intimidated countries friendly toward Taiwan not to initiate or endorse proposals favorable to Taiwan in the United Nations. It has even launched a publicity drive saying Taiwan has no right to join the UN. Beijing is now pressuring Japan not to invite President Li Teng-hui to attend this year's informal leadership meeting of the Asia-Pacific Economic Cooperation forum scheduled to be held in November in Osaka.

Chien said national unification is Taiwan's ultimate goal. "We have clearly spelt out this goal in the national unification guidelines, which calls for phased development of cross-strait ties to pave the way for China's peaceful reunification under freedom, democracy and prosperity," he said.

But, at the moment, Chien said, China is divided and ruled by two separate governments. This is a reality resulting from historical factors. "Mainland Chinese leaders should have the courage and vision to face this reality," he said.

Stressing that the Republic of China [ROC] Government's current effort to step up construction and development in the Taiwan area and to upgrade its international status does not aim to prolong division of China or to move toward permanent secession, Chien said the ROC's main goal is to safeguard the right to survival and the well-being of Taiwan's 21 million residents.

"We do not like to see China's prolonged division," Chien said. Nevertheless, he said, Beijing should face the reality that its jurisdiction has never reached Taiwan. "Beijing should also respect our rights to take part in international activities and our security needs," he noted. "If Beijing continues obstructing Taiwan's participation in international organizations or activities, it should shoulder full responsibility for hindering China's reunification and its future development."

Chien said Premier Lien Chan recently proposed four major guidelines for further promotion of cross-strait relations: face the present status, increase exchanges,

respect each other and pursue unification. "Lien's proposals have provided a new direction and new opportunities for cross-strait rapprochement," Chien noted, adding he hopes mainland authorities will respond to Lien's call in a rational, pragmatic manner to forge mutual trust through increased exchanges and contacts in various domains.

Direct Transportation Ties Initially Viewed

OW0603105795 Taipei CNA in English 0905 GMT
6 Mar 95

[By Debbie Kuo]

[FBIS Transcribed Text] Taipei, March 6 (CNA)—Draft proposals for the establishment of direct transportation links with Mainland China are expected to be completed before the end of June, Minister of Transportation and Communications Liu Chao-shiuan said Monday.

The announcement is the first admission by the government that it is considering direct transportation links with the mainland. Any such links, Liu noted, will be implemented only when the government's mainland policy is revised, and Taiwan's dignity, order, and security are safeguarded.

Liu made the remarks in a report on the latest cross-strait transportation developments at a meeting of the Legislative Yuan's Transportation Committee.

Technical details for direct shipping links expected to be discussed in the draft plan, include routes, management of designated seaports and vessels, maritime rescue, marine transportation security and other related issues, Liu said.

With regard to direct air links, Liu added, the draft plan will feature plans for flight rights and airports, the connection of flight information zones, air control issues, document verification, management of air cargo, flight safety and related issues.

Chiao Jen-ho, secretary-general of the Straits Exchange Foundation (SEF), a semi-official intermediary organization authorized to handle cross-strait relations, said at a seminar on Sunday that Taipei will allow direct links with the mainland only when its dignity and safety are safeguarded.

Although direct links across the Taiwan Strait are necessary, Chiao said, they involve many problems which must be resolved before a green light is given for formal implementation.

Minister Reaffirms Chinese Missile Redeployment

OW0403102395 Taipei Voice of Free China in English
0200 GMT 4 Mar 95

[FBIS Transcribed Text] ROC [Republic of China] Defense Minister Chiang Chung-ling reaffirmed Friday

[3 March] that Mainland China has moved its M-class missiles from the inland province of Chianghsien [Jiangxi] to coastal Fukien [Fujian], right up opposite Taiwan across from the Taiwan Strait. This military action coincided with a peace overture Mainland Chinese President Jiang Zemin offered Taiwan during the Chinese New Year holiday.

On Thursday, a spokesperson for the PRC Foreign Ministry denied this military action. The ROC Defense Ministry, meanwhile, has decided not to challenge or comment on the latest statement from Beijing. But according to high-ranking ROC officials, the Mainland Chinese denial is understandable since Jiang's speech on cross-strait relations centered around peace between Taiwan and Mainland China. If Beijing confirms the missile moving action, it would override Jiang's peace offer. ROC officials concluded that Taiwan cannot ease up on its defense project and should prepare for the worst scenario.

Taiwan Commissions Missile Frigate

OW0403102695 Taipei CNA in English 0848 GMT 4 Mar 95

[By Sofia Wu]

[FBIS Transcribed Text] Taipei, March 4 (CNA)—The Republic of China [ROC] Navy took delivery of a third missile frigate built by state-run China Shipbuilding Corp. (CSBC) Saturday [4 March].

The delivery and commissioning ceremony was held at CSBC's Kaohsiung Shipyard in southern Taiwan, with Premier Lien Chan presiding.

Addressing the ceremony, Lien said the commissioning of the Chi Kuang frigate will help beef up Taiwan's anti-submarine and air defense capabilities.

The delivery of the frigate on time and on budget also marks a milestone in Taiwan's drive to develop a new generation of naval ships, Lien said.

It was the first time that CSBC has itself purchased all the necessary materials for building the vessel, modeled on the US Perry-class frigate. Installation and integration of all weapon systems on the ship was handled by the military-run Chungshan Institute of Science and Technology. The United States provided technology and materials for CSBC to build the first two Perry-class missile frigates, dubbed "Cheng Kung" and "Cheng Ho."

"The completion of the Chi Kuang frigate has laid a solid foundation for our naval ship self-production policy," Lien noted.

With a displacement of 4,200 tons, the Chi Kuang frigate is equipped with advanced radar, artillery, torpedo, surface-to-surface and surface-to-air missiles as well as anti-submarine helicopters.

"The Chi Kuang vessel, with such high-performance weapons and equipment, will help safeguard our national security and shipping links with other countries," Lien said.

He added the government is committed to helping the Navy modernize weapons and equipment to upgrade combat capability and effectiveness.

Many senior government and military officials, including Defense Minister Chiang Chung-ling, Navy Commander-in-chief Adm. Ku Chung-lien and Taiwan Governor Sung Chu-yu, also attended the commissioning ceremony.

The Chi Kuang frigate is equipped with locally-built Hsiung Feng II missiles in addition to US-made MK missiles. Its combat capability exceeds that of the original Perry-class frigates, military authorities said.

The Navy placed an order for eight Perry-class missile frigates with the state-run CSBC in 1979. The first two frigates were commissioned in 1993 and 1994 respectively. The remaining five frigates are scheduled to enter service by the year 2000.

Lien Urges Beijing To Support Asiad Bid

OW040314495 Taipei CNA in English 0115 GMT 4 Mar 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, March 3 (CNA)—Premier Lien Chan on Friday [3 March] called on Mainland China to support Kaohsiung's bid to host the 2002 Asian Games.

The southern Taiwan city formally filed an application to host the 14th Asiad with the Kuwait-based Olympic Council of Asia (OCA) last month.

Lien made the appeal while fielding a question posed by legislator Li Pi-hsien of the ruling Kuomintang at the Legislative Yuan.

Noting that hosting the Asiad is the common wish of the people of Taiwan, he said the government also hopes for the mainland's backing of the bid. "If we win the Asiad bid, the government will definitely follow the rules and regulations set by the International Olympic Committee and the OCA," he pledged.

If Kaohsiung wins the right to host the Asiad, he said, the government would then welcome a delegation from the mainland.

Sports activities such as the Asian Games would be a good opportunity to promote ties across the Taiwan Strait, he noted, adding that Beijing has also expressed willingness to strengthen cross-strait cultural exchanges.

The government hopes to send a delegation to the mainland to lobby support for the Kaohsiung bid for the Asiad, he said.

Wei Jizhong, secretary-general of Mainland China's Olympic Committee, said in a telephone interview, however, that the mainland will not support any Taiwan city's bid to host the 2002 Asian Games.

He said that no Taiwan city is qualified to host the olympics or the Asiad—the position the mainland committee has maintained since 1990.

Mainland Fishermen Detained for Dynamite Fishing

OW0403023795 Taipei CNA in English 0143 GMT
4 Mar 95

[By Flor Wang]

[FBIS Transcribed Text] Taipei, March 3 (CNA)—Troops stationed on Tungying Island Friday [3 March] morning detained a mainland fishing boat and five mainland fishermen for illegally using dynamite in Taiwan territorial waters.

Two speedboats and a third vessel were dispatched to disperse several mainland fishing boats after Tungying military authorities learned that they had intruded into Taiwan waters and were catching fish by dynamiting.

One of the boats, the Min Lien Yu No. 1358, threw dynamite into the sea in trying to escape the military boats, but was caught and its five crewmen arrested. Local judicial authorities have launched an investigation into the incident.

Matsu and Tungying-based Taiwan fishermen had earlier strongly protested about the increasingly massive illegal operations by mainland fishing boats in Taiwan territorial waters, and had asked the government to crack down on the mainland fishers.

Meanwhile, the Ministry of National Defense has been studying ways to help offshore island-based troops handle similar cases in the future, sources said. They added that the ministry has also suggested that the Straits Exchange Foundation (SEF) include the issue in

their cross-strait talks with Mainland China's Association for Relations Across the Taiwan Strait (ARATS).

The SEF and ARATS are the semi-official intermediary bodies that handle bilateral exchanges in the absence of formal contacts between the two sides.

Council Publishes Notes on Shipping Center Plan

OW0403023895 Taipei CNA in English 0138 GMT
4 Mar 95

[By Y.C. Tsai]

[FBIS Transcribed Text] Taipei, March 3 (CNA)—The cabinet-level Mainland Affairs Council (MAC) on Friday [3 March] published explanatory notes to the offshore shipping center plan, saying the plan aims to help build Taiwan into an Asia-Pacific business operations hub.

MAC Vice Chairman Kao Koong-lian said at a regular press conference that the plan to develop Taiwan into a key operations base for multinational enterprises in the region is purely based on economic considerations.

Stressing that the planned offshore shipping center will offer a more liberalized and internationalized investment climate for international companies, Kao expressed the hope that the plan would not be "politicized."

He said that having an offshore shipping center would not be tantamount to direct shipping links between Taiwan and Mainland China, but would be more in the nature of international cargo transshipment, which he likened to transit passenger traffic at international airports.

The cross-Taiwan Strait route, to be sailed by foreign vessels, will be neither a domestic nor an international line, but a special line, he elaborated, saying that its business scope will cover only transshipment cargoes that do not have to face entry or customs clearance.

Whether the planned shipping center will be located at Kaohsiung port or another international port will be decided by market forces, he said.

Hong Kong

Coverage of PRC Leaders' Recent Statements

Lu Ping On Hong Kong

HK0303143195 Beijing ZHONGGUO XINWEN SHE
in English 1203 GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (CNS)—Lu Ping, director of Hong Kong and Macao Affairs Office under the State Council, said when meeting a Hong Kong delegation today that he hoped that Hong Kong would continue to maintain and develop the status of an international financial centre after 1997. The meeting was attended by Leung Ding-bong, Chairman of Securities and Futures Commission, Cheng Wai-kin, Chairman of Stock Exchange of Hong Kong and Leung Ka-chai, Chairman of Hong Kong Futures Exchange Limited.

He said that at present, Hong Kong is facing many competitors. Therefore, to strengthen the status of being an international financial centre is important for the overall economy of Hong Kong.

At the 50-minute long meeting, Lu Ping said that in respect of finance in Hong Kong, China has always maintained close relations with the British side, and there has been good co-operation. It is hoped that this will be maintained in future.

In May this year, the Special Economic Group of the Preparatory Working Committee will hold a seminar concerning the "Strengthening Hong Kong International Financial Centre Status while moving towards 1997" in Hong Kong. In respect of this, Lu Ping pointed out that the aim is to strengthen the confidence of all parties concerning the status of Hong Kong as an international financial centre.

The collapse of Barings Bank in Britain has become a topic at the meeting. Leung Ding-bong said that Barings case has not affected Hong Kong. The forming of risk management system in Hong Kong in recent years is able to stand this test.

Lu Ping Urges Budget Discussions

HK0303144795 Beijing ZHONGGUO XINWEN SHE
in English 1356 GMT 3 Mar 95

[FBIS Transcribed Text] Beijing, March 3 (CNS)—The drafting of Hong Kong's 1997-98 Budget must be, as it will straddle 1997, fixed through joint consultation between China and Britain, said Lu Ping, Director of the Hong Kong and Macao Affairs Office under Chinese State Council.

The soon-to-be-retired Financial Secretary of the Hong Kong Government, Hamish Macleod, on March 1, this year, presented his last Budget within his tenure of duty.

He said, "starting from April 1996, we would consult the Chinese Government over the contents of the 1997-98 Budget".

On response, Lu said that it is not the British Hong Kong government to consult the Chinese side, but it should be the future Special Administrative Region government to consult the British side. This is because there will be only three months of administration by the British Hong Kong government within the 1997-98 fiscal year while in the remaining nine months, the SAR government will shoulder the administration. Before the establishment of the SAR government, China should represent the SAR government to discuss with Britain over the issue.

Lu added that China should participate in drafting Hong Kong's 1996-97 Budget, considering the continuity of the budgets.

Lu also disclosed that the Sino-British Joint Liaison Group (JLG) will speed up the establishment of an expert team, with the participation of Hong Kong people, to discuss about the drafting of budgets [sentence as received].

Zhu Rongji Lauds Resilience

HK0403074995 Hong Kong LIEN HO PAO in Chinese
4 Mar 95 p 17

[Report: "Hong Kong Visitors Are Told That Zhu Rongji Affirms Hong Kong's Risk Management Standard"]

[FBIS Translated Text] A delegation from the Hong Kong Securities and Futures Commission, the Joint Stock Exchange of Hong Kong, and the Hong Kong Futures Exchange finished a three-day visit to Beijing yesterday. The Joint Stock Exchange agreed to set up a special group to consider arrangements for listing mainland B shares in Hong Kong. In addition, Chinese Vice Premier Zhu Rongji said that Hong Kong's monetary risk management had reached international levels while mentioning the Barings incident.

Cheng Wai-kin, chairman of the Joint Stock Exchange, said that the delegation held meetings with mainland officials concerned with the listing of mainland B-shares in Hong Kong. The mainland side said that they would consider how to increase the circulation volume of B-shares and change them into H-shares in order for them to be listed in Hong Kong. The Hong Kong side indicated that they would set up a special group to consider how to help B-shares meet the relevant Hong Kong regulations while being turned into H shares and how to supervise and manage these shares. It would take a fairly long time to consider these questions.

At the meeting, the two sides also discussed the question of a renminbi currency futures market. Leung Ting-bong, chairman of the Hong Kong Securities and Futures Commission, said, quoting mainland officials, that renminbi futures transactions will have to wait for the

market to mature and the approval of the department concerned, and it is expected that the renminbi will become a freely convertible currency by the year 2000.

The Barings incident shocked the whole world, and mainland officials also showed concern for the impact of the incident on Hong Kong. Leung Ting-bong told Chinese officials that the incident did not have any impact on Hong Kong and that it also showed the success of Hong Kong's risk management system.

When meeting with officials from the Hong Kong and Macao Affairs Office yesterday morning, Lu Ping mentioned the arrest of Leeson, the main culprit in the Barings incident, while chatting with the visitors before the meeting officially began. Leung Ting-bong told him that the relevant quarters in Hong Kong had properly handled the impact of the incident and that it had not affected Hong Kong at all. There may have been a certain positive impact, because the incident showed that Hong Kong's risk management system built up in the past few years could stand such tests. Zhu Rongji, vice premier of the PRC State Council, also expressed his appreciation of Hong Kong's ability to withstand the impact of the Barings incident and affirmed that Hong Kong's risk management system had reached international levels.

Yesterday, the delegation met important Chinese officials such as Lu Ping, Chen Yuan, and Zhu Rongji and briefed them about Hong Kong's risk management system and culture. The Chinese officials expressed their support.

Press Previews 7 Mar Municipal Council Elections

Pro-Beijing Support Unlikely

HK0403061595 Hong Kong EASTERN EXPRESS in English 4 Mar 95 p 2

[By Wong Chi-shing]

[FBIS Transcribed Text] Candidates supported by Beijing or who are members of a pro-China party could lose votes in tomorrow's municipal council elections, a poll suggested yesterday.

Nearly a third of the surveyed voters said they were less inclined to vote for candidates supported by the Chinese government, while only 2.1 per cent were more inclined to vote for them.

The number of people likely to vote for the Democratic Alliance for the Betterment of Hong Kong (DAB) candidates is 10 percent less than those favouring the competition, the Wharf Cable TV poll showed.

But the Democratic Party label has a positive impact on voters, with 26.7 percent of respondents favouring their candidates.

More than 30 percent of the voters interviewed thought the Chinese government had not remained neutral in Hong Kong elections.

The poll, conducted by the Hong Kong Polling and Business Research Company on Monday and Tuesday, asked 513 registered voters for their opinions on the performance of the five political parties and their voting preferences.

More than half of those approached to take part in the survey responded and the sampling error was 2.3 percent.

The party recognition rate is, in descending order, the Democratic Party, the Liberal Party, the DAB, the Association for Democracy and People's Livelihood and the Liberal Democratic Federation.

Voters To Bypass 'Troublemakers'

HK0503045395 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 5 Mar 95 p 2

[By Kit Yau and Anthony Woo]

[FBIS Transcribed Text] A Xinhua official yesterday told Hong Kong people to take a pro-Beijing line, and not to vote for "troublemakers" in today's municipal council elections.

Instead, Wang Rudeng, assistant director and head of the Hong Kong Island Office of Xinhua (the New China News Agency), urged voters to support more "patriotic" candidates.

"If those troublemakers are elected, they will do Hong Kong no good," he said. "I think it would be better for Hong Kong's smooth transition if more candidates who love China and Hong Kong, and support Hong Kong's prosperity, were elected."

Mr Wang refused to say who he saw as "troublemakers", claiming voters would know them.

Xinhua officials have already confirmed they are actively involved in co-ordinating the pro-Beijing candidates' strategy.

His comments came as politicians from rival parties faced an uphill struggle in last-minute efforts to drum up public interest in today's polls.

Leaders of the pro-Beijing Democratic Alliance for the Betterment of Hong Kong (DAB) encountered widespread apathy as they swept around Hong Kong Island and Kowloon in two shiny jeeps.

DAB candidates, who followed in an open-deck bus, thrust leaflets into the hands of passersby, but many discarded them as soon as the campaign team was out of sight.

"I am not going to vote," Law Chi-mei said. "It's not a matter of civic responsibility but because I don't know

anything about the candidates. [sentence as received] I think their driving around is a waste of time."

The Liberal Party, which is fielding just three candidates, toured the territory in five luxury cars.

They will not have to contend with disruption by the United Ants this time. The fringe group, which wants full democracy, heckled the party during the district board campaign, but now have decided the Liberals are too small to bother with.

Instead they plan to target Democratic Party legislator Fred I : Wah-ming, standing for the Urban Council in Kwun Tong South.

Mr Li first incurred their wrath when he failed to vote for full democracy in the Legislative Council last summer, and they now accuse him of sexism—for suggesting housewives have less interest in democracy.

"On the one hand, Mr Li begs for support from female voters but, on the other hand he looks down on female voters," said Jackie Lam, a member of the pressure group.

Mr Li admitted his failure to support full democracy might cost him votes in today's poll, but said his remarks about housewives only reflected the truth, and they were unlikely to hold this against him.

There are 377 polling stations, which will open at 7.30 am and close at 10.30 pm. Of these, 144 have special facilities for the disabled.

There are 135 candidates contesting 59 seats on the Urban and Regional Councils, including 36 from the Democratic Party, 17 from the DAB, and nine from the Association for Democracy and Peoples' Livelihood. First results are expected around midnight.

Government Fears Legislature-Induced Difficulties

HK0503045295 Hong Kong SOUTH CHINA SUNDAY MORNING POST in English 5 Mar 95 p 2

[By Danny Gittings]

[FBIS Transcribed Text] The Government fears it will face increasing difficulties getting proposals through the Legislative Council [Legco] after September's elections, Financial Secretary Sir Hamish Macleod has warned.

"It could be difficult," he said. "We'll have to see what the new balance of power will be."

Without referring to parties by name, Sir Hamish indicated the administration believed the pro-democracy camp was likely to win a majority in the new Legco.

He expressed concern that the large group of non-aligned legislators, whom the Government relies on to get many of its most controversial measures through, would shrink following the polls.

"The likelihood is there will be less independent members," he said. "That is a concern, in the sense that it's obviously been rather helpful that there has been a substantial group of independent members who, in a sense, have held the balance of power."

But Sir Hamish—who will retire a month before September's polls—poured cold water on the idea of bringing legislators back on to the Executive Council [Exco], an option repeatedly floated by Governor Chris Patten.

"I don't think that the last time we tried that it was a notable success," he said, making what he called "a personal observation" about the Exco appointed following the 1991 elections.

Almost all its members were required to resign following Mr Patten's arrival in 1992, when he split the membership of the two councils.

But reappointing legislators to Exco has been recently suggested by the Governor as one way to deal with the consequences of this year's polls. However, Mr Patten has not said if he favours the idea and most current Executive councillors strongly oppose it.

Sir Hamish instead hinted that the administration hoped the pro-democracy bloc became more pragmatic and responsible, if and when they won September's polls.

"People behave rather differently when they're in the majority rather than the minority," he said.

"At the moment, sometimes a party, putting it anonymously, can vote for a pretty controversial proposal quite safely in the knowledge that they're not going to win the vote. But if they become the majority, they will perhaps become more cautious."

Sir Hamish refused to respond to Hong Kong and Macao Affairs Office chief Lu Ping's warning that China, rather than Britain, would draw up the territory's budget for 1997-98.

He said if Beijing had any views it should express them through diplomatic channels: "We're waiting for discussion. We've made a proposal. It's quite some time since we made it."

Sir Hamish indicated that in this Wednesday's keynote debate in the Legislative Council on retirement protection, the Government would propose all retirement schemes in Hong Kong be protected against fraud by a compulsory levy on contributions.

The administration plans to make private provident funds compulsory to fill the gap left by the scrapping of its old age pension scheme.

But legislators fear these would be unprotected against a rerun of the Robert Maxwell scandal, when the late press baron defrauded British pension funds of millions of pounds.

Sir Hamish said Hong Kong funds could be protected "by some scheme which would use levies after the event" and the Government might also be prepared to contribute.

Spokesman on Establishing Court of Final Appeal

OW0603125995 Beijing XINHUA in English 1243
GMT 6 Mar 95

[FBIS Transcribed Text] Beijing, March 6 (XINHUA)—Chinese Foreign Ministry Spokesman Shen Guofang today answered questions from correspondents concerning the establishment of the Court of Final Appeal in Hong Kong.

When asked whether it is a dilatory tactic used by the Chinese side in delaying its reply to the British Hong Kong Government concerning the draft bill on the Court of Final Appeal and its revised version, Shen said that the Chinese and British sides reached agreement on the formation of the Court of Final Appeal in Hong Kong as early as 1991.

The Chinese Government's position on observing this agreement is known to all, he continued, and the fact is that the British side shelved this matter soon after the two sides reached agreement in 1991 and did not submit the draft bill on the Court to the Chinese side until mid-1994.

Shen noted that "in spite of this, the Chinese side made a positive response to the bill. It was not until January this year that the British side submitted a revised version of the draft bill, which we are still studying."

"It is obvious that the responsibility for delaying lies solely with the British side," he said.

Some correspondents asked, "Should the British Hong Kong Government go ahead unilaterally with discussing and implementing the said draft bill and establishing the Court of Final Appeal in the absence of consultations and agreement with the Chinese side, what reactions would the Chinese side make? Would the then established Court of Final Appeal be abolished after 1997?"

Shen said that Chinese side maintains that the establishment of the Court of Final Appeal in Hong Kong before 1997 must be consistent with the relevant provisions of the Basic Law of the Hong Kong Special Administrative Region and with the 1991 agreement reached between the Chinese and British sides on the formation of the Court, which means, among other things, that without prior consultations and consensus reached with the Chinese side, the draft bill must not be submitted to the Legislative Council for deliberations.

He stressed that any unilateral actions by the British side would amount to a breach of the 1991 agreement, and the Court of Final Appeal thereby established should not be carried through 1997.

But this is the last thing that the Chinese side wishes to see happen, he added.

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